



# PIZZA PIZZA ROYALTY CORP

2022 ANNUAL GENERAL MEETING OF SHAREHOLDERS

June 9, 2023

**pizza pizza** **PIZZA 73** **pzo**  
PIZZERIA



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**pizza pizza 967-11-11**

**pizza  
pizza**

# WELCOME

**JAY SWARTZ**

**PIZZA PIZZA ROYALTY CORP.  
BOARD CHAIR**

# FORWARD LOOKING STATEMENTS

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- 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.





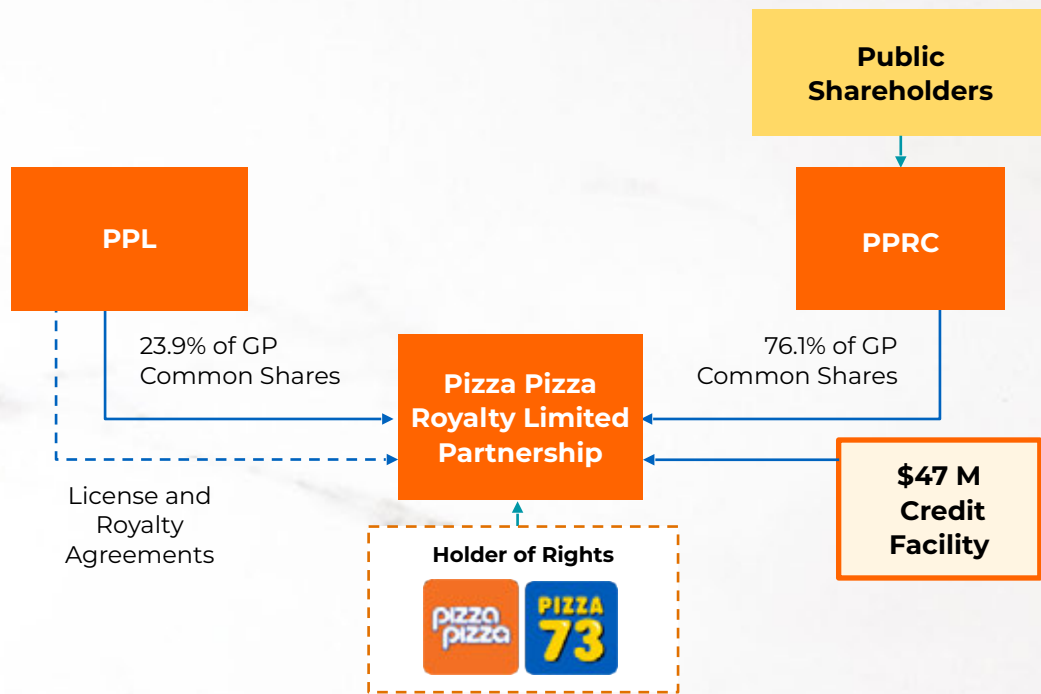
# PIZZA PIZZA ROYALTY CORP. FINANCIAL UPDATE

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**CHRISTINE D'SYLVA**  
CFO, PIZZA PIZZA LIMITED

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# CORPORATE STRUCTURE



## PPRC OWNERSHIP

	<u>Fully Diluted Shares</u>	<u>%</u>
Public Shareholders	24,618,392	76.1%
PPL Equivalent Shares	7,719,188	23.9%
<b>Total</b>	<b>32,337,580</b>	<b>100.0%</b>

# ROYALTY STREAM OVERVIEW

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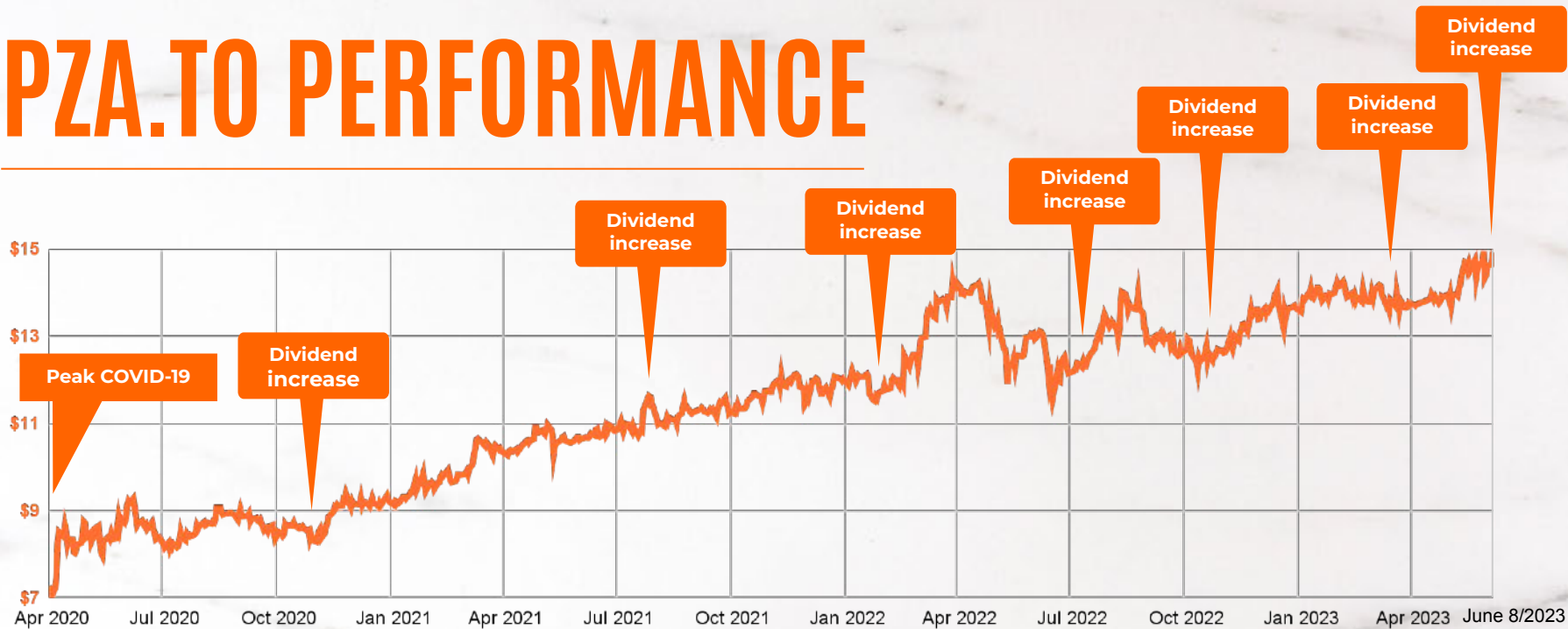
# SHAREHOLDER INFORMATION

• TSX exchange listing	<b>PZA</b>
• Publicly-traded shares outstanding	<b>24,618,392</b>
• Fully Diluted shares	<b>32,337,580</b>
• Pizza Pizza Limited's ownership	<b>23.9 %</b>
• Market Capitalization	<b>\$ 475 Million</b>
• Currently monthly dividend	<b>\$ 0.075</b>
• Current dividend yield	<b>6.1 %</b>
• Credit facility	<b>\$ 47 Million (April 2025 maturity)</b>

**PPRC is a high-yield dividend corporation**



# PZA.TO PERFORMANCE



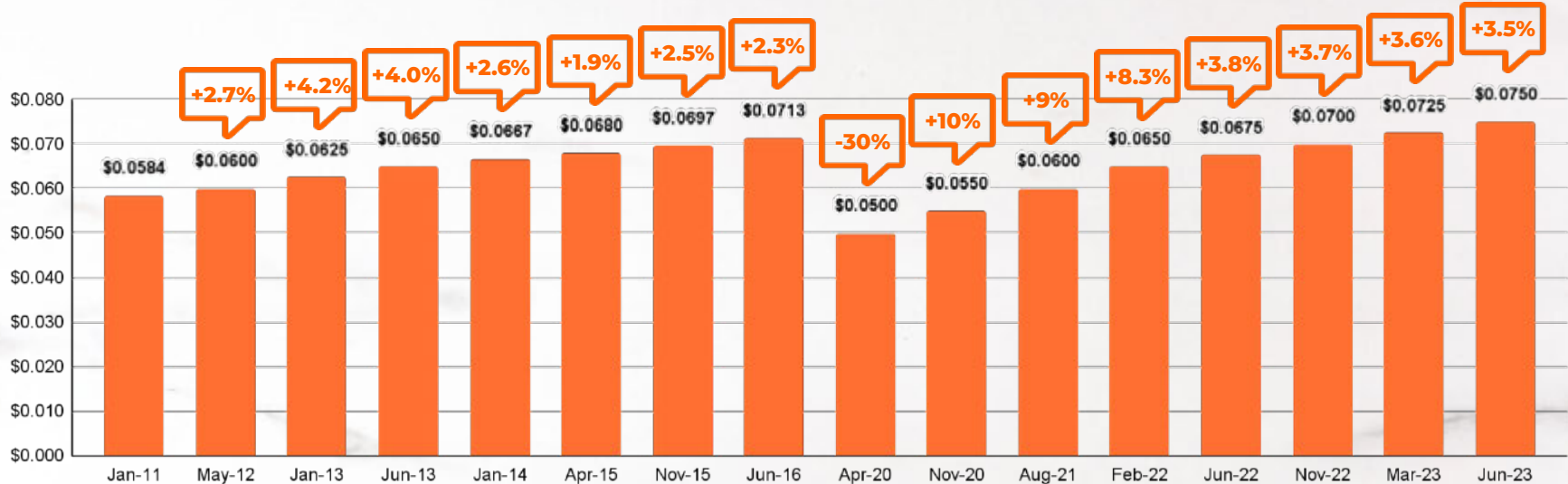
**PPRC increased the dividend seven times in the last three years**

# PERFORMANCE HIGHLIGHTS

	2022	Q1 2023
<b>Royalty Pool System Sales</b>	\$ 568 M	\$ 143 M
<b>Restaurants in Royalty Pool</b>	727 (+2)	743 (+16)
<b>Same Store Sales Growth (SSSG)</b>	15.2 %	13.6 %
<b>Royalty Revenue</b>	\$ 36.4 M	\$ 9.1 M
<b>Annual dividend</b>	\$ 0.7975	\$ 0.2125
<b>Working Capital Reserve</b>	\$ 7.5 M	\$ 7.3 M
<b>Payout Ratio</b>	95 %	104 %

**Same Store Sales Growth (SSSG) is the key driver of shareholder yield growth**

# MONTHLY DIVIDEND GROWTH



**PZA.TO has more than doubled since March 2020.**



# SSSG AND WORKING CAPITAL



**PPRC's healthy cash reserve of \$7.3M is available during sales variability**



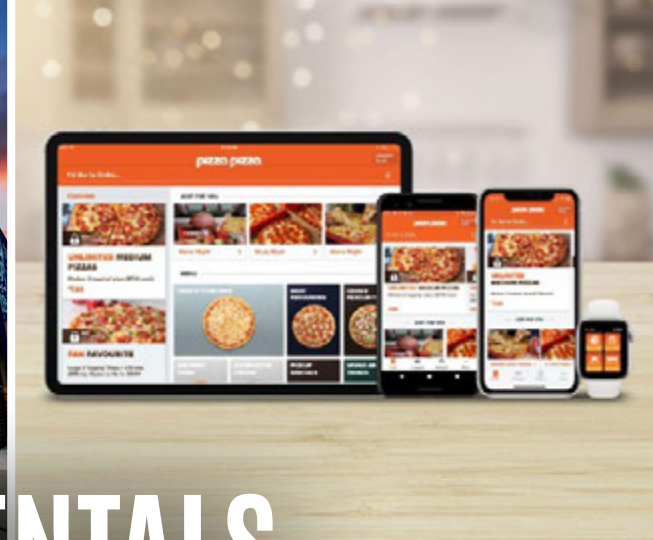
# PIZZA PIZZA LIMITED BUSINESS UPDATE

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**PAUL GODDARD**

CEO, PIZZA PIZZA LIMITED





# BUSINESS FUNDAMENTALS





# STRONG BRAND PORTFOLIO POISED FOR GROWTH



**PIZZA PIZZA**

**453** traditional and **190** non-traditional locations across Canada, with a majority in Ontario & Quebec. Rapid expansion underway in British Columbia and Atlantic Canada.

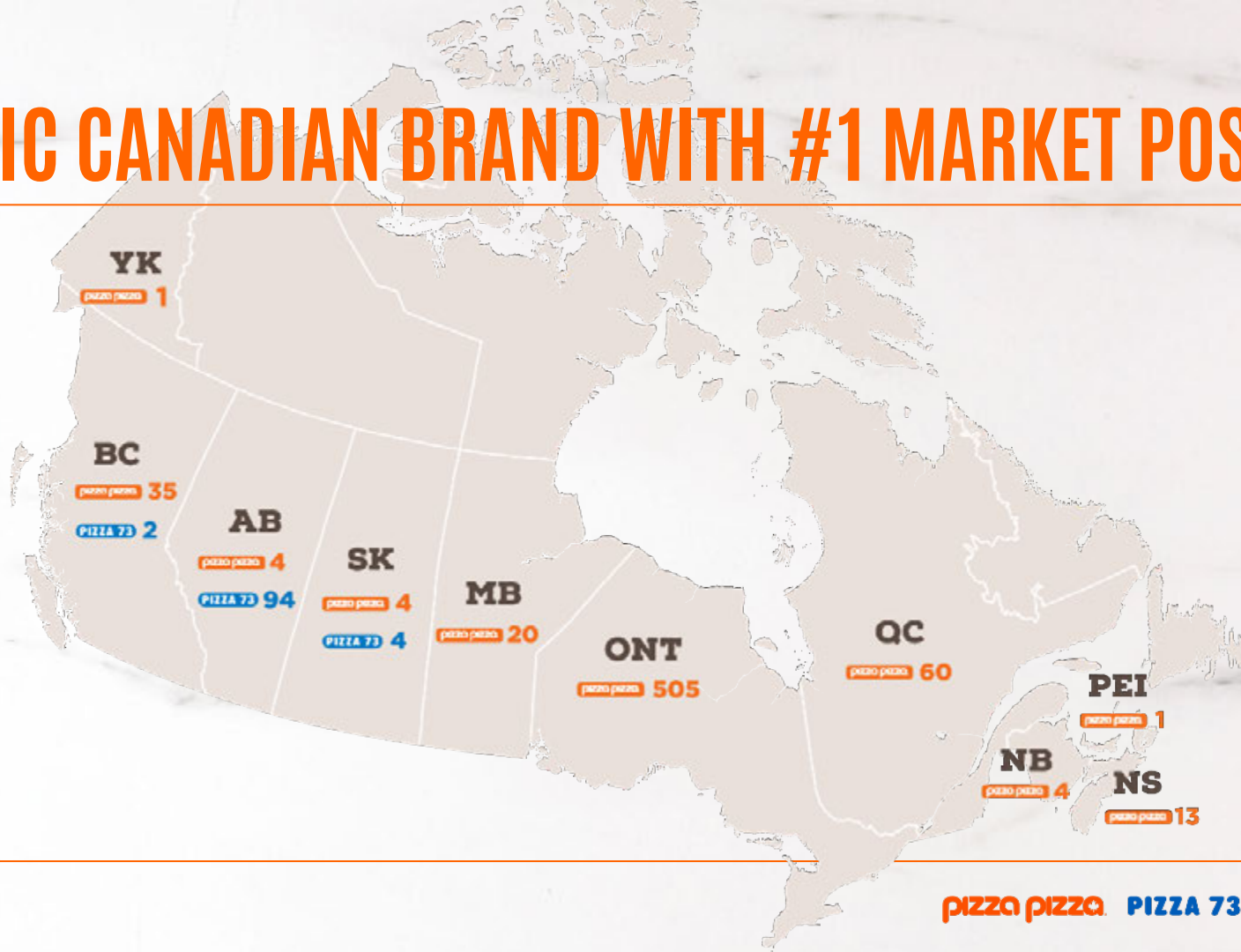
**PIZZA 73**

**99** locations in Alberta, Saskatchewan & British Columbia.

**PZA**  
PIZZERIA

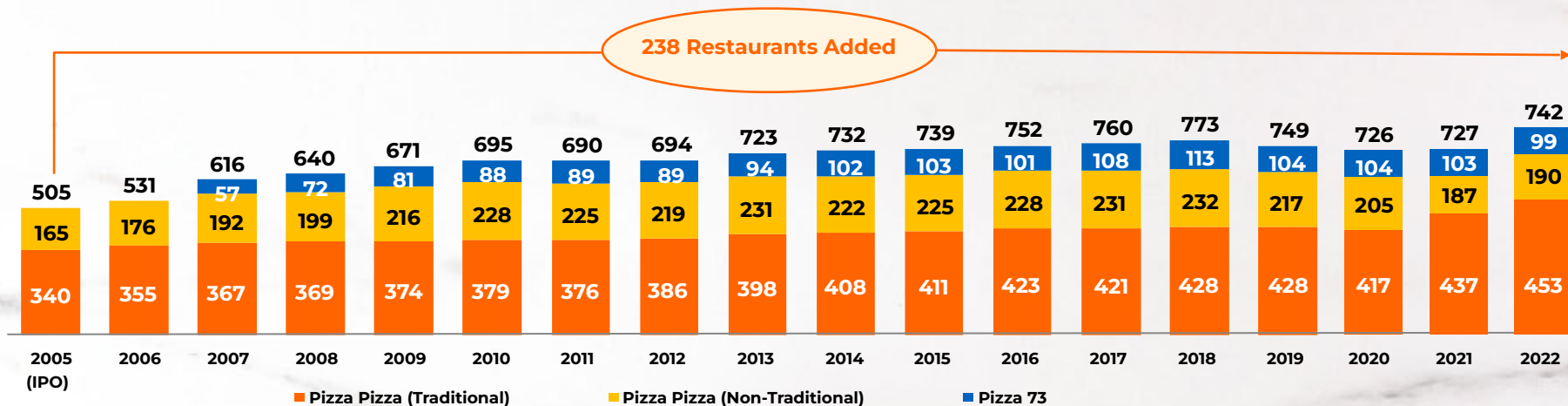
**3** locations in Guadalajara, Mexico, with a target of 10 new restaurants per year.

# ICONIC CANADIAN BRAND WITH #1 MARKET POSITION



# TRACK RECORD OF STEADY RESTAURANT GROWTH

## Restaurant Count Since IPO



PPL has taken a measured approach to restaurant growth, expanding its network by over 2% annually, on average, since 2005



# INTERNATIONAL EXPANSION OPPORTUNITIES



# DIVERSE MENU

Offering customers an extensive menu of pizzas and sides to satisfy everyone's preferences.





# ...WITH A FOCUS ON QUALITY...



**Hand-tossed  
artisan dough**



**100% vine ripened  
tomato sauce**



**100% Canadian  
mozzarella cheese**



**Quality gourmet  
toppings**



**Pizza Pizza is committed to sourcing the highest quality ingredients to make Canada's favourite pizzas**

# ...AND VALUE

**pizza pizza**



**PIZZA 73**



Continuous promotion of high quality, value oriented offerings, and popular walk-in and delivery options drive customer traffic and keep brands top of mind



# MENU INNOVATION

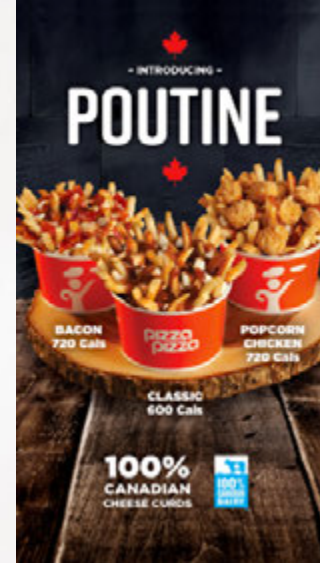
**Pizza Pizza's Mission:** "... to make each and every occasion with us an enjoyable and memorable experience by offering the highest quality of fresh products and exemplary services, guaranteed!"



**BIG BUFFALO CHICKEN SANDWICH** features a spicy, double stacked creation that showcases our menu innovation.



**HOT WING BATTLE** challenges our customers to choose between two new spicy wings.



**POUTINE** combines a classic Canadian dish with Pizza Pizza's favourite toppings.



**GOURMET THINS** introduces an upscale menu offering to the Pizza 73 product line.

# MARKETING TO A HUNGRY AUDIENCE



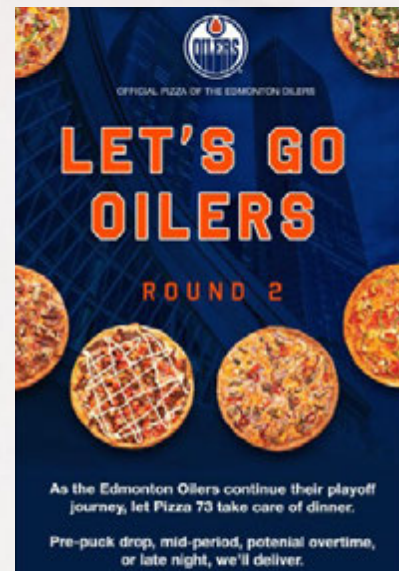
**EVERYONE DESERVES PIZZA** brand platform is all about inclusion, accessibility and innovation.



**FIXED RATE PIZZA** provides a value message during a period of high interest rates, inflation and affordability issues.



**DIP ROLLER** responds to the fans of our dipping sauce with a fun, innovative and collectable accessory.



**SPORTS SPONSORSHIPS** build fan engagement in venue and encourage restaurant visits.

# MARKETING TO A HUNGRY AUDIENCE

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**pizza pizza**

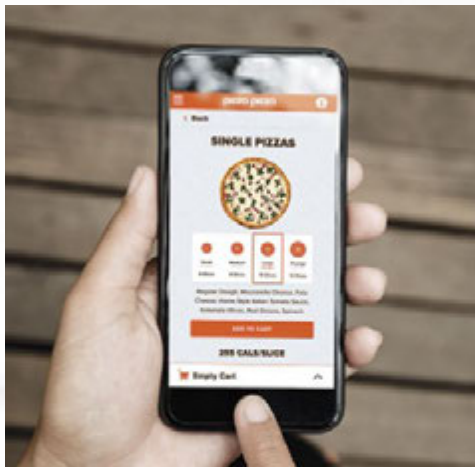
**EVERYONE DESERVES PIZZA**

Registered trademarks of Pizza Pizza Society Limited Partnership. Used under license.





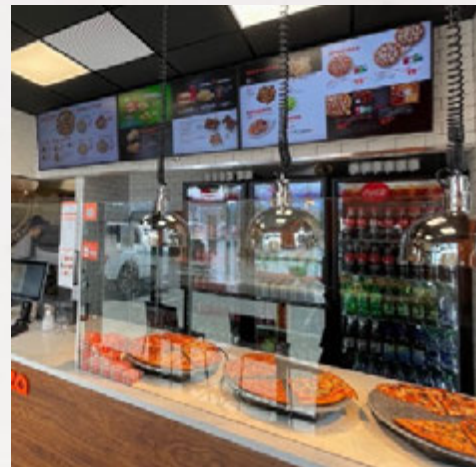
# MULTI-CHANNEL ORDERING PLATFORM



DIGITAL



CALL CENTRE

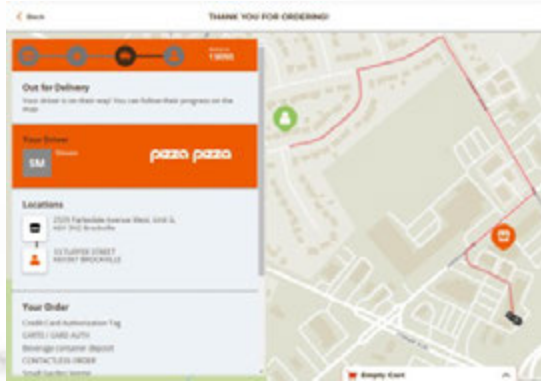


IN-RESTAURANT

**Multi-channel ordering platform provides multiple touchpoints for consumers and supports focus on convenience**



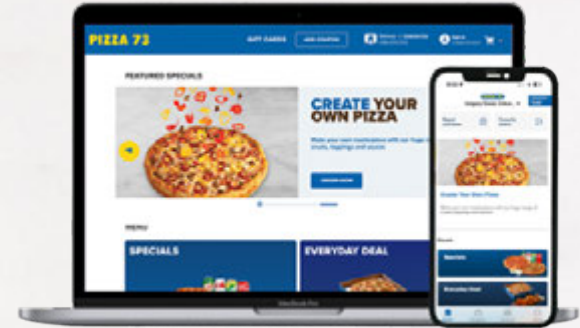
# CONTINUOUSLY LEVERAGING TECHNOLOGY & INNOVATION



**Delivery Driver Tracking**



**Loyalty Program, Push Notifications and Email Marketing**



**Pizza 73 Website and Mobile App Redesign**

Leverages organic and third party technology to ensure the Pizza Pizza and Pizza 73 brands are top of mind with consumers with strong focus on enhancing customer engagement and experiences

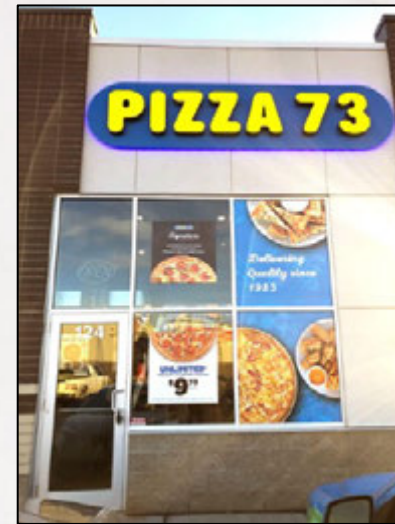
# RE-IMAGING EXTERIOR



OLD



NEW



Restaurant re-imaging keeps our brands current and top of mind, driving SSS

# RE-IMAGING INTERIOR



OLD

NEW



Restaurant re-imaging keeps our brands current and top of mind, driving SSS

# IMPRESSIVE HISTORY OF AWARDS & RECOGNITION

## Waterstone Award

Waterstone  
CANADA'S  
**MOST ADMIRABLE**  
CORPORATE  
CULTURES

2022

## CFA D&I Award



## Franchisee's Choice



## CFA Recognition



## Pinnacle Awards



## Webby Awards



Pizza Pizza earns  
Company of the Year at  
the 25<sup>th</sup> Annual  
Pinnacle Award in 2013

**Track record of achievements that recognize strength of franchisee relationships, industry and community contributions, and technological advancements**



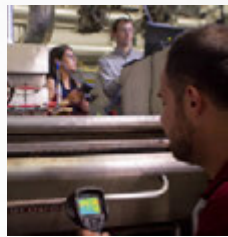
# ENVIRONMENTAL, SOCIAL, GOVERNANCE



Our packaging (boxes, slice trays, bags, napkins) is all made with recycled content, saving over 100,000 trees annually.



Head office uses 3 wind turbines, battery farm, solar array and solar heat gain wall to reduce our energy consumption.



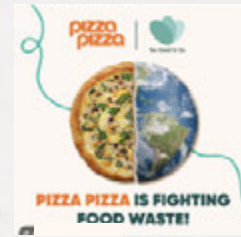
Thermoelectric generators capture and divert waste electricity from our pizza ovens to generate free hot water for our restaurants.



Over \$3 million has been raised for children's hospitals across Canada.



Supporting local sports teams, community events, and fundraising initiatives across the country.



Over 200 locations partnered with Too Good To Go to help reduce food waste and feed our communities.



Experienced and totally independent board of trustees for Pizza Pizza Royalty Corp.



# INVESTMENT SUMMARY

Pizza Pizza's been delivering great pizza since 1967 and consistent, increasing value to our shareholders since our IPO in 2005.

# ADVANTAGES OF PZA

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- Exceptional Brand Recognition
- Simple Royalty Structure
- High-yield Dividend Corp
- Strong Sales Growth History
- Healthy Cash Position
- Poised For Growth
- International Scalability







# THANK YOU!

**pizza pizza** **PIZZA 73** **pzo**  
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