



# PIZZA PIZZA ROYALTY CORP

2021 ANNUAL GENERAL MEETING OF SHAREHOLDERS

MAY 27, 2022

PIZZA PIZZA. PIZZA 73



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PIZZA PIZZA 967-11-11

PIZZA  
PIZZA

WELCOME

JAY SWARTZ

PIZZA PIZZA ROYALTY CORP.  
BOARD CHAIR

PIZZA PIZZA PIZZA 73

# 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.



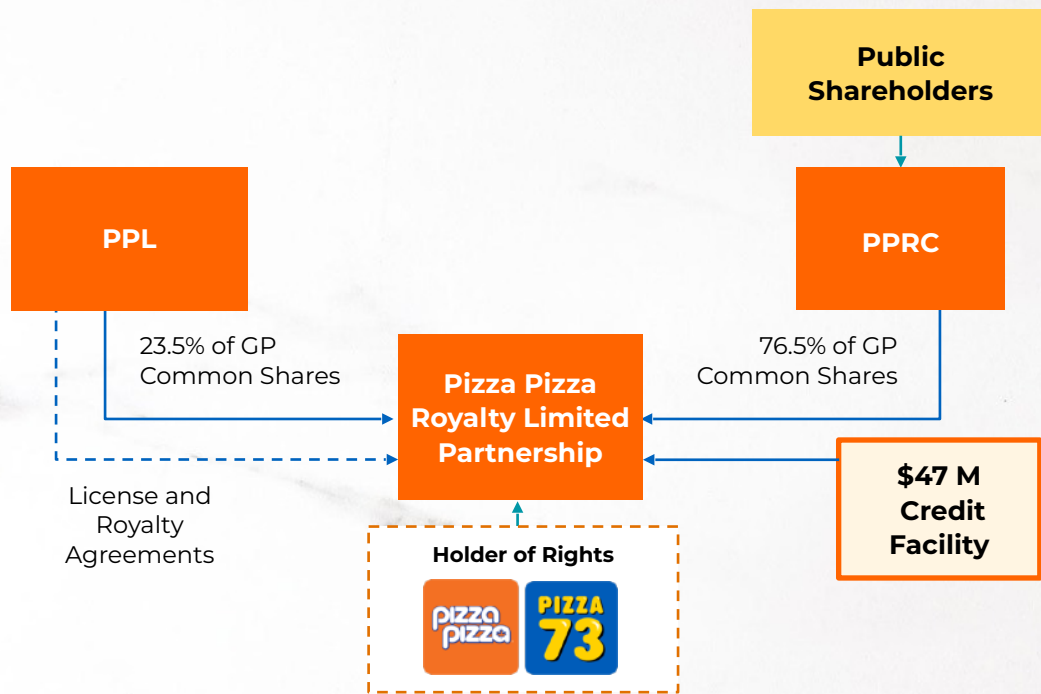


# PIZZA PIZZA ROYALTY CORP. FINANCIAL UPDATE

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

# CORPORATE STRUCTURE



## PPRC OWNERSHIP

|                       | <u>Fully Diluted Shares</u> | <u>%</u>      |
|-----------------------|-----------------------------|---------------|
| Public Shareholders   | 24,618,392                  | 76.5%         |
| PPL Equivalent Shares | 7,558,884                   | 23.5%         |
| <b>Total</b>          | <b>32,177,276</b>           | <b>100.0%</b> |



# ROYALTY STREAM OVERVIEW

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# SHAREHOLDER INFORMATION

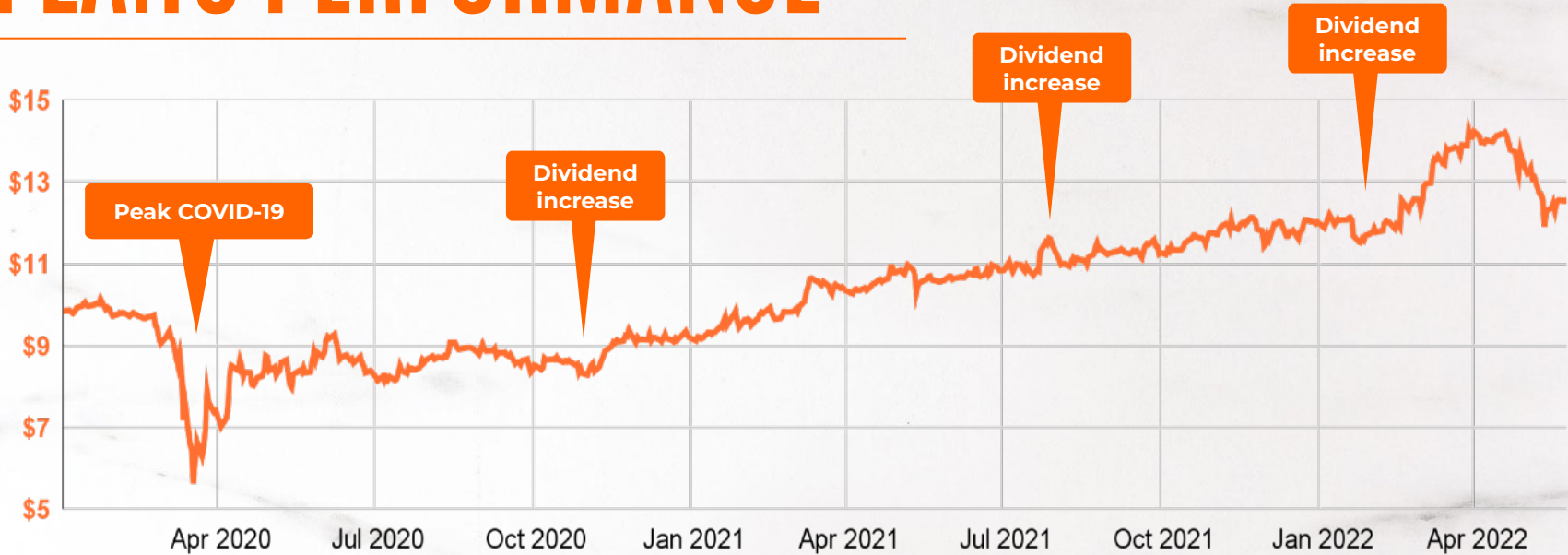
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|                                      |  |
|--------------------------------------|--|
| ● TSX exchange listing               | <b>PZA</b>                                 |
| ● Publicly-traded shares outstanding | <b>24,618,392</b>                          |
| ● Fully Diluted shares               | <b>32,177,276</b>                          |
| ● Pizza Pizza Limited's ownership    | <b>23.5 %</b>                              |
| ● Market Capitalization              | <b>\$ 387 Million</b>                      |
| ● Currently monthly dividend         | <b>\$ 0.065</b>                            |
| ● Current dividend yield             | <b>6.1 %</b>                               |
| ● Credit facility                    | <b>\$ 47 Million</b> (April 2025 maturity) |

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



# PZA.TO PERFORMANCE



**PPRC increased the dividend three times subsequent to the decrease in April 2020 due to COVID-19**

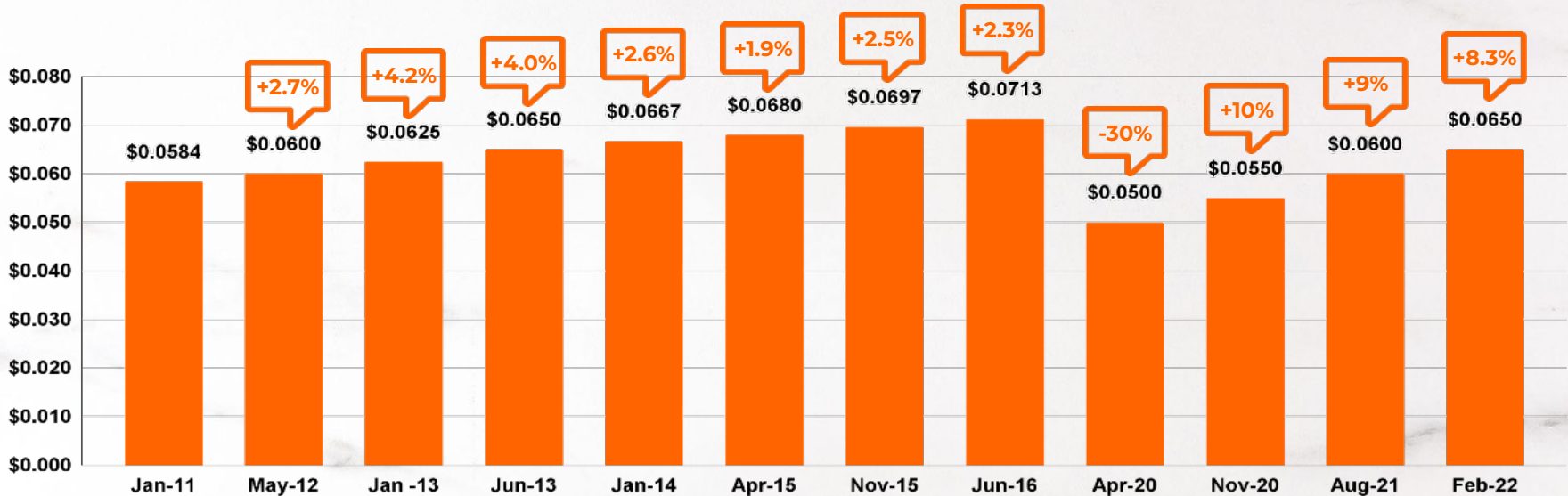
# PERFORMANCE HIGHLIGHTS

|                                       | 2021      | Q1 2022  |
|---------------------------------------|-----------|----------|
| <b>Royalty Pool System Sales</b>      | \$ 494 M  | \$ 123 M |
| <b>Restaurants in Royalty Pool</b>    | 725 (-24) | 727 (+2) |
| <b>Same Store Sales Growth (SSSG)</b> | 0.5 %     | 13.6 %   |
| <b>Royalty Revenue</b>                | \$ 31.9 M | \$ 7.9 M |
| <b>Annual dividend</b>                | \$ 0.685  | \$ 0.19  |
| <b>Working Capital Reserve</b>        | \$ 6.5 M  | \$ 6.2 M |
| <b>Payout Ratio</b>                   | 94 %      | 108 %    |

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



# MONTHLY DIVIDEND GROWTH



PPRC increased the dividend three times subsequent to the decrease in April 2020 due to COVID-19

# SSSG AND WORKING CAPITAL



**PPRC's healthy cash reserve of \$6.2 million is available during sales variability**



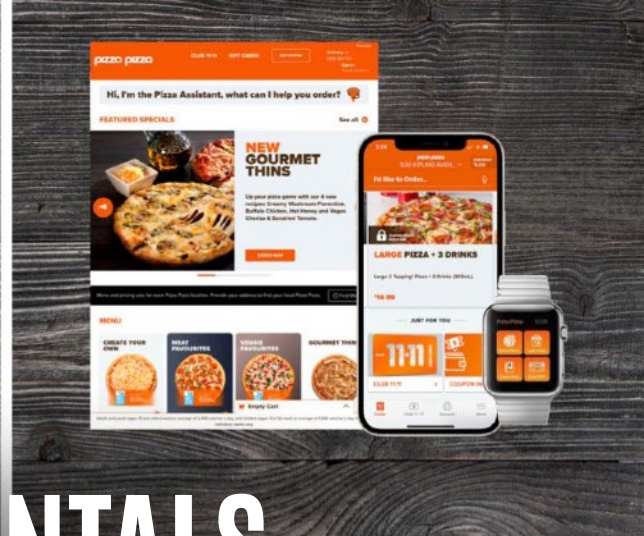


# PIZZA PIZZA LIMITED BUSINESS UPDATE

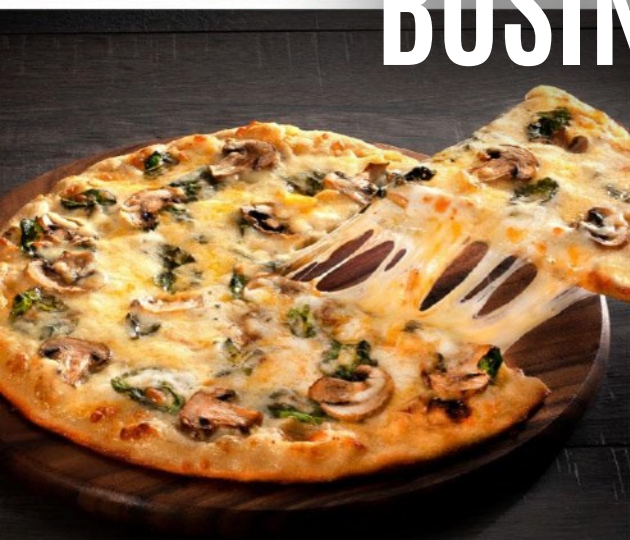
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**PAUL GODDARD**  
CEO, PIZZA PIZZA LIMITED

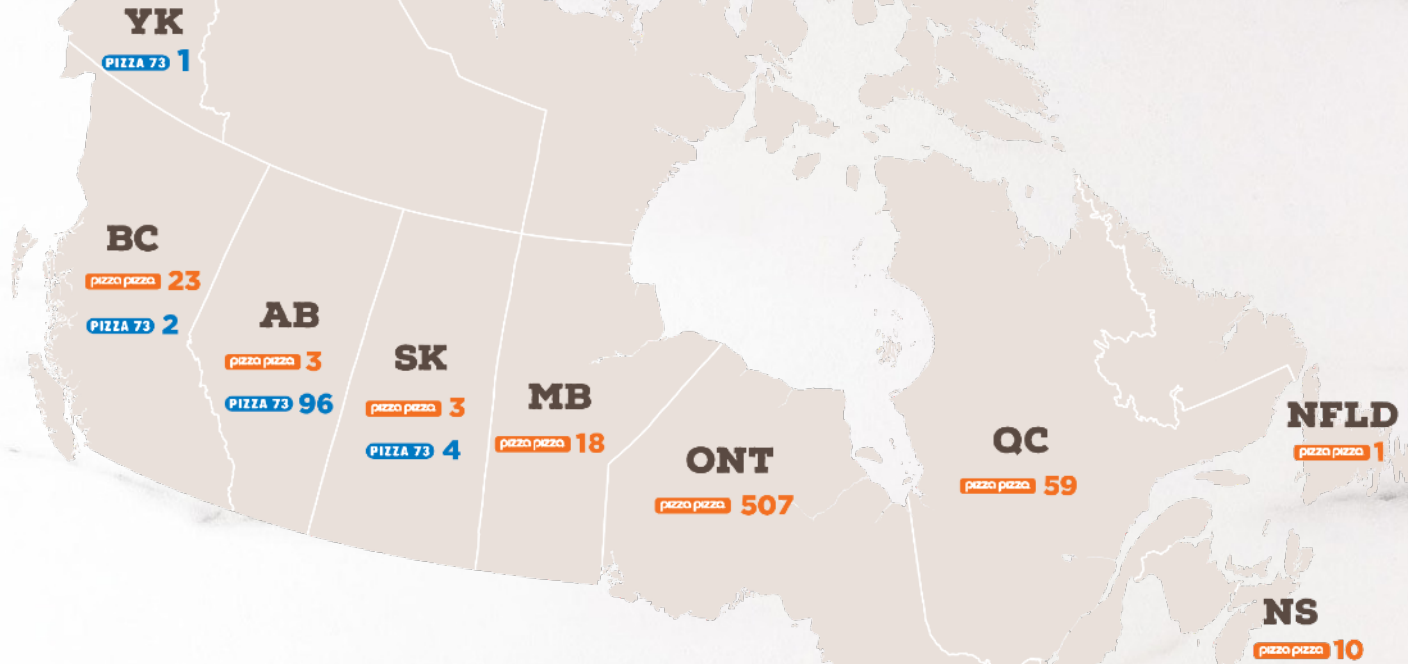




# BUSINESS FUNDAMENTALS



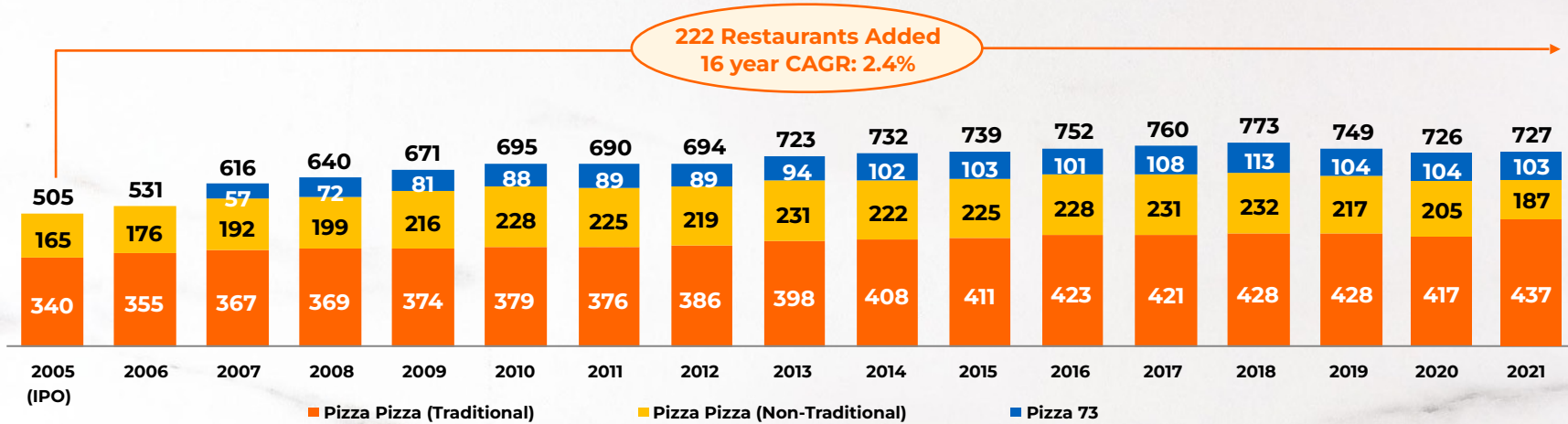
# ICONIC CANADIAN BRAND WITH #1 MARKET POSITION





# 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

# RESTAURANT FORMATS AS OF 12/31/21

## Traditional Restaurant Format

Total: 526 (72%)  417 (57%)  87 (12%)



### Menu

- Full menu with customer seating, take-out & delivery

### Size

- Pizza Pizza: 1,400-3,000 sq. ft.
- Pizza 73 locations: ~1,200 sq. ft.

### Locations

- High traffic and high visibility locations that are easily accessible

## Non-Traditional Restaurant Format

Total: 201 (28%)  187 (26%)  14 (2%)



### Menu

- More limited and targeted to "captured traffic" locations

### Size

- Vary in size but generally offer counter service and typically do not include eat-in areas

### Locations

- Sports, entertainment and other public venues

Different restaurant formats allow flexibility to tailor product offerings to specific markets or venues

# DIVERSE MENU

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**In crust we trust.**

**Pizza Pizza offers more crust options than any other Pizza QSR.**





# ...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



**2 MEDIUM PIZZAS, DRINKS + DIPS**

2 Medium Pizzas + 4 Toppings\* (combined) + 4 Drinks(355ml) + 2 Dips. Upsize to Large for \$6

\*Additional charge for premium toppings

**\$21.99**

ORDER NOW

**PICKUP SPECIALS**

**MEDIUM \$7.99**

Medium - Pepperoni Slice  
350/375/400/425/450

**LARGE \$10.49**

Large - Pepperoni Slice  
500/525/550/575/600

**X-LARGE \$11.99**

X-Large - Pepperoni Slice  
700/725/750/775/800

**2 FOR \$6**

**CHEESE OR PEPPERONI SLICE**

Choose Cheese or Pepperoni Slice  
Requires 1 Slice - \$1.00 Each



**A LOT FOR A LITTLE. \$22**

2 MEDIUM 2-TOPPER PIZZAS  
+2 DIPPING SAUCES  
+4 **Coca-Cola** DRINKS (355mL)

ADD TO ORDER

**GET 10% OFF**

ON ANY WEB/MOBILE ORDER OVER \$25\* ON GAME DAY WITH THE CODE **OILERS**

**WIN TICKETS!**

You'll be automatically entered for your chance to win a Game Day Prize pack featuring Oilers tickets and Pizza 73 Prizes!

OFFICIAL PIZZA OF THE EDMONTON OILERS

USE CODE OILERS AT CHECKOUT

\*\$25.00 order for web/mobile. Does not apply to delivery. Discount not applicable to special orders. Excludes view of the property & bar.

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!"



**NEW WING SAUCES!**

Wings made from free roam & grain fed chicken, raised in Canada.

10pcs. starting at **\$10<sup>49</sup>**

KENTUCKY BOURBON

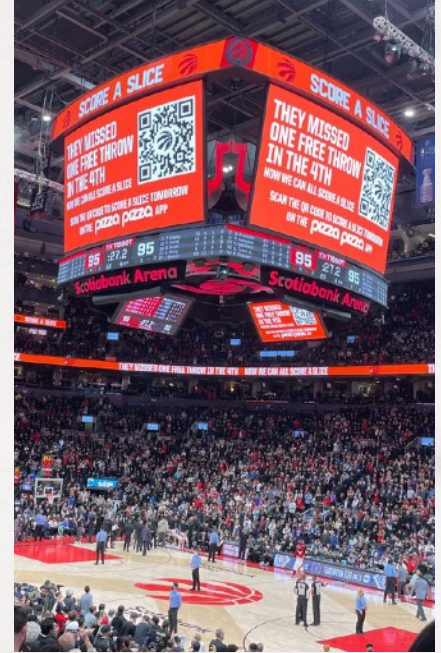
CHIPOTLE BBQ

NASHVILLE HOT

**PIZZA 73**



# MARKETING TO A HUNGRY AUDIENCE



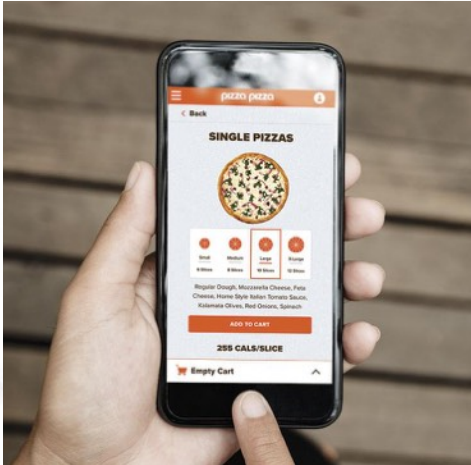
# MARKETING TO A HUNGRY AUDIENCE

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# MULTI-CHANNEL ORDERING PLATFORM



DIGITAL



CALL CENTRE

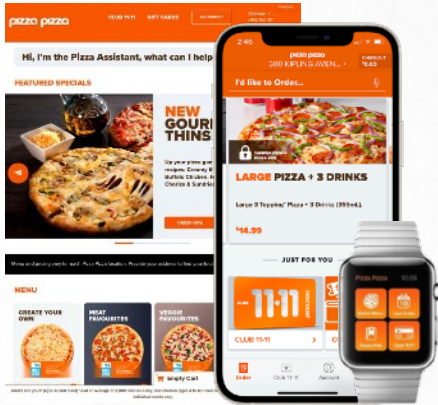


IN-RESTAURANT

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



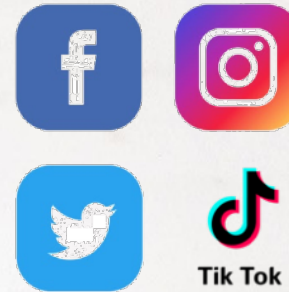
# CONTINUOUSLY LEVERAGING TECHNOLOGY & INNOVATION



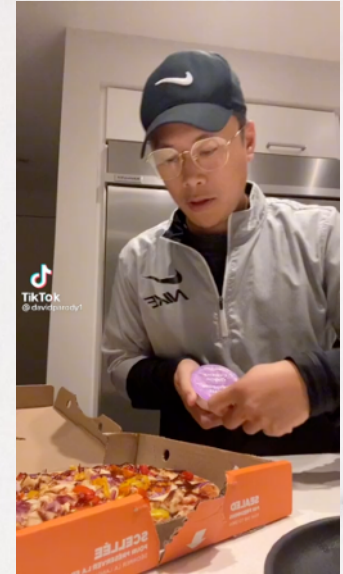
Online, Mobile and Apple Watch Ordering



3rd Party Delivery Partnerships



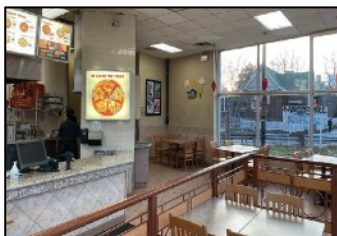
Social Media Presence



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 INTERIOR



OLD



NEW



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



# IMPRESSIVE HISTORY OF AWARDS & RECOGNITION

## Franchisee's Choice



## CFA Recognition



## Pinnacle Awards



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

## Webby Awards



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

# PROVIDING CENTRALIZED, HIGH SERVICE TO RESTAURANT OPERATORS



**PPL provides turn-key solutions to support its Pizza Pizza and Pizza 73 restaurants across the network**



pizza pizza  
DRIVERS WANTED

NO WASHROOMS  
AVAILABLE  
THANK YOU  
FOR YOUR  
CO-OPERATION

STOP  
TIME DELAY



BARSTOOL  
SPORTS®



# ENVIRONMENTAL, SOCIAL, GOVERNANCE



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



3 wind turbines at head office generate 6kW of energy each.



Over \$3 million has been raised for Sick Kids hospitals across Canada.



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





to provide pizza, supplied by his Pizza Pizza franchise,



# INVESTMENT SUMMARY

Pizza Pizza's been making great pizza since 1967. Along the way, it has grown to 727 restaurants from coast to coast, becoming a trusted brand and leader in the foodservice industry. Pizza Pizza is proud of the quality food it makes – and the difference it makes in communities across Canada.



# ADVANTAGES OF PZA

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





**THANK YOU!**

**PIZZA PIZZA. PIZZA 73**