

DP Eurasia N.V.

(“DP Eurasia” or the “Company”, and together with its subsidiaries, the “Group”)

Trading Update for the six months ended 30 June 2021

Strong momentum achieved with unprecedented demand in Turkey

	For the period ended 30 June		Change
	2021	2020	
	(in millions of TRY, unless otherwise indicated)		
Number of stores	789	754	35
Group system sales⁽¹⁾			
Turkey	754.4	438.9	71.9%
Russia	278.6	212.7	31.0%
Azerbaijan & Georgia	19.3	13.1	47.0%
Total	1,052.2	664.7	58.3%
Group system sales like-for-like growth⁽²⁾			
Group⁽⁵⁾	53.5%	6.0%	
Turkey	65.0%	13.5%	
Russia (based on RUB)	18.2%	-20.1%	

Highlights

- Group system sales increased 58.3%, on the back of unprecedented demand in Turkey and against very weak comparables for H1 2020 in both Turkey and Russia due to the pandemic
 - Turkish systems sales growth of 71.9%
 - Russian system sales growth of 31.0% (15.5% based on RUB)
- Group online system sales⁽⁴⁾ growth of 77.2%
 - Turkish online system sales growth of 106.7%
 - Russian online system sales growth of 33.2% (17.5% based on RUB)
- Online delivery system sales⁽³⁾ as a share of delivery system sales at 77.5% (June 2020: 75.1%) reflects our continued strong online offering and positioning
- Strong liquidity position - TRY 110 million of cash at hand and additional available bank lines of TRY 186 million as at 30 June 2021

Commenting on the update, Chief Executive Officer, Aslan Saranga said:

“Trading performance across the Group has continued its strong momentum throughout the first half of the year, as highlighted in our last trading update in May. Our Turkish operations have seen unprecedented demand during H1 2021 with a May/June like-for-like growth rate of 70.3%, driven mainly by delivery and, also, tailwinds from a temporary reduction in the VAT rate to 1% from 8% which was extended until the end of July. We have noted in our previous releases a Covid inspired shift to home delivery, whilst the current numbers are encouraging, it is still too early to regard the shift being a permanent change in demand. Covid vaccinations have been increasing at a steady pace in Turkey as a result of which virtually all restrictions including those on dine-in and curfews, have been lifted at the beginning of July.

“In our Russian operations we have continued to see an improving trend with a May/June like-for-like growth rate of 32.4%. However, Russian vaccination rates continue to remain relatively low and authorities in Greater Moscow instituted a ban on dine-in towards the end of June. There are also vaccination targets instituted for restaurants and their staff that need to be achieved by the middle of July and August for the restaurants to remain open for take-away and delivery.

“Our online channels continue to be the main driver behind our like-for-like growth rates. Online system sales as a percent of delivery system sales have reached 74.0% and 92.3% in Turkey and Russia, respectively, allowing the Group to reach 77.5% on a consolidated basis.

“The increasing franchisee demand since the middle of last year has resulted in 16 store openings in Turkey since the beginning of the year with a very strong pipeline for the second half of 2021. In Russia, we have also added two stores in the first half.

“The Group is emerging from the pandemic with strong momentum. Whilst the Board is conscious of the potential continued risks posed by the pandemic, we remain on target for our 2021 guidance in our markets and the Board expects the full year adjusted EBITDA⁽⁶⁾ for 2021 to be in line with expectations.”

Enquiries

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A conference call for investors and analysts will be held at 9.00am this morning, which will be accessible using the following details:

Conference call: UK Toll Free: 0800 358 9473
UK Toll: +44 333 300 0804
Participant PIN code: 32010248#
URL for international dial in numbers:
<https://event.sharefile.com/share/view/s84220495bb4b47b2abfff950788bcd35>

A recording of the conference call will subsequently be available at www.dpeurasia.com.

Notes to Editors

DP Eurasia N.V. is the exclusive master franchisee of the Domino’s Pizza brand in Turkey, Russia, Azerbaijan and Georgia. The Company was admitted to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market for listed securities of the London Stock Exchange plc on 3 July 2017. The Company (together with its subsidiaries, the “Group”) is the largest pizza delivery company in Turkey and the third largest in Russia. The Group offers pizza delivery and takeaway/ eat-in facilities at its 789 stores (584 in Turkey, 192 in Russia, nine in Azerbaijan and four in Georgia as at 30 June 2021), and operates through its owned corporate stores (28%) and franchised stores (72%). The Group maintains a strategic balance between corporate and franchised stores, establishing networks of corporate stores in its most densely populated areas to provide a development platform upon which to promote best practice and maximise profitability. The Group has adapted the Domino’s Pizza globally proven business model to its local markets.

Performance Review

Store count	As at 30 June					
	2021			2020		
	Corporate	Franchised	Total	Corporate	Franchised	Total
Turkey	103	481	584	121	421	542
Russia	115	77	192	120	79	199
Azerbaijan	-	9	9	-	9	9
Georgia	-	4	4	-	4	4
Total	218	571	789	241	513	754

Delivery channel mix and online like-for-like growth

The following table shows the Group's delivery system sales⁽³⁾, broken down by ordering channel and by the Group's two largest countries in which it operates, as a percentage of delivery system sales for the periods ended 30 June 2021 and 2020:

		For the period ended 30 June					
		2021			2020		
		Turkey	Russia	Total	Turkey	Russia	Total
Store		25.6%	7.7%	22.2%	28.3%	10.9%	23.5%
Online	Group's online platform	25.9%	69.5%	36.5%	25.1%	73.9%	41.5%
	Aggregator	48.1%	22.9%	41.0%	44.4%	15.2%	33.6%
	Total online	74.0%	92.3%	77.5%	69.5%	89.1%	75.1%
Call centre		0.4%	-	0.3%	2.3%	-	1.4%
Total		100%	100%	100%	100%	100%	100%

The following table shows the Group's online like-for-like growth⁽²⁾, broken down by the Group's two largest countries in which it operates, for the periods ended 30 June 2021 and 2020:

	For the period ended 30 June	
	2021	2020
Group online system sales like-for-like growth⁽²⁾		
Group⁽⁵⁾	73.6%	32.3%
Turkey	91.2%	38.6%
Russia (based on RUB)	19.2%	8.9%

Liquidity

The Group continues to have a strong liquidity position, having access to cash at hand and additional borrowing capacity available from its Turkish banks. As at 30 June 2021, the Group had TRY 110 million of cash at hand and additional available bank lines of TRY 186 million.

The Group's strong liquidity position enables it to prepay its bank borrowings in Russia if required, and still maintain a strong liquidity position. The Group obtained a waiver from Sberbank with respect to its covenants for the first three quarters of 2021 and is in negotiations to reset the covenants or repay the remaining loan. The principal outstanding under the Sberbank loan currently amounts to RUB 0.9 billion, of which RUB 0.2 billion is supported by a cash collateral deposit.

Additional disclosure for the period from 1 March 2021 to 31 March 2021

Jubilant Foodworks Limited, a significant shareholder in DPEU holding approximately 32.81% of the Company's ordinary share capital, has certain regulatory disclosure requirements with regard to its investment in DPEU. In connection with this, going forward DPEU will disclose on a quarterly basis profit after tax and other comprehensive income.

For the period from 1 March 2021 to 31 March 2021, DPEU recorded unaudited profit after tax of TRY 27.7 million and unaudited other comprehensive expense of TRY 8.6 million.

Notes

⁽¹⁾ System sales are sales generated by the Group's corporate and franchised stores to external customers and do not represent revenue of the Group.

⁽²⁾ Like-for-like growth is a comparison of sales between two periods that compares system sales of existing system stores. The Group's system stores that are included in like-for-like system sales comparisons are those the Group considers to be mature operations. The Group considers mature stores to be those stores that have operated for at least 52 weeks preceding the beginning of the first month of the period used in the like-for-like comparisons for a certain reporting period, assuming the relevant system store has not subsequently closed or been "split" (which involves the Group opening an additional store within the same map of an existing store or in an overlapping area).

⁽³⁾ Delivery system sales are system sales of the Group generated through the Group's delivery distribution channel.

⁽⁴⁾ Online system sales are system sales of the Group generated through its online ordering channel.

⁽⁵⁾ Group like-for-like growth is a weighted average of the country like-for-like growths based on store numbers as described in Note (2).

⁽⁶⁾ EBITDA, adjusted EBITDA and non-recurring and non-trade income/expenses are not defined by IFRS. These items are determined by the principles defined by the Group management and comprise income/expenses which are assumed by the Group management to not be part of the normal course of business and are non-trading items. These items which are not defined by IFRS are disclosed by the Group management separately for a better understanding and measurement of the sustainable performance of the Group.

Appendices

Exchange Rates

Currency	For the period ended 30 June			
	2021		2020	
	Period End	Period Average	Period End	Period Average
EUR/TRY	10.365	9.485	7.708	7.132
RUB/TRY	0.119	0.105	0.097	0.093
EUR/RUB	86.203	89.547	78.678	77.961

Delivery – Take away / Eat in mix

	For the period ended 30 June					
	2021			2020		
	Turkey	Russia	Total	Turkey	Russia	Total
Delivery	83.2%	77.2%	81.4%	70.0%	77.4%	72.4%
Take away / Eat in	16.8%	22.8%	18.6%	30.0%	22.6%	27.6%
Total ⁽²⁾	100%	100%	100%	100%	100%	100%

Forward looking statements

This press release includes forward-looking statements which involve known and unknown risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Directors' current beliefs and expectations about future events. They appear in a number of places throughout this press release and include all matters that are not historical facts and include predictions, statements regarding the intentions, beliefs or current expectations of the Directors or the Group concerning, among other things, the results of operations, financial condition, prospects, growth and strategies of the Group and the industry in which it operates.

No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements.

Forward-looking statements contained in this press release speak only as of the date of this press release. The Company and the Directors expressly disclaim any obligation or undertaking to update these forward-looking statements contained in this press release to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based.