



Sphera Franchise Group

Investor & Analyst Call

Preliminary 2023 Results

29.02.2024

KFC



Agenda for today's call

- 1 2023 Highlights
- 2 Business updates
- 3 Brand performance
- 4 Q&A session



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Therefore, the final results achieved may vary significantly from the forecasts, and the variations may be material.





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Welcome to SFG 2023 Results Call



Călin Ionescu

Chief Executive Officer



Valentin Budeș

Chief Financial Officer



Monica Eftimie

Chief Marketing Officer



Zuzanna Kurek

Investor Relations Officer



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2023 Results Highlights

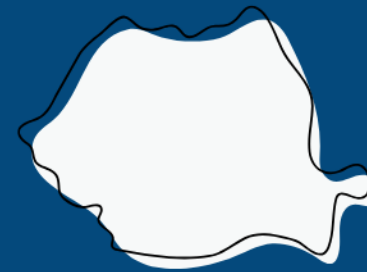
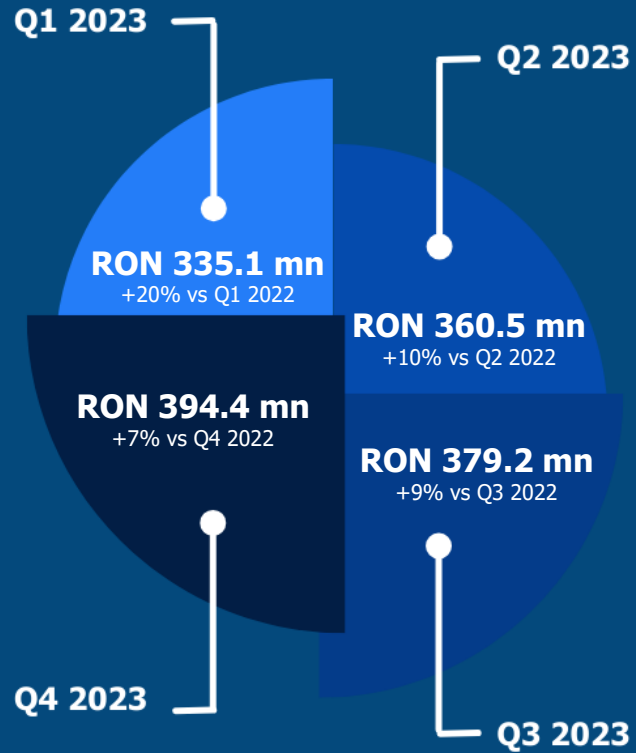


Key 2023 Highlights

excl. IFRS16

2023 Consolidated Sales

RON 1,469.2 mn
+11% vs. 2022



RON 1,264.8 mn
+11% vs. 2022



RON 183.8 mn
+11% vs. 2022



RON 20.6 mn
+18% vs. 2022



RON 1,269.4 mn
+12% vs. 2022



RON 115.2 mn
-6% vs. 2022

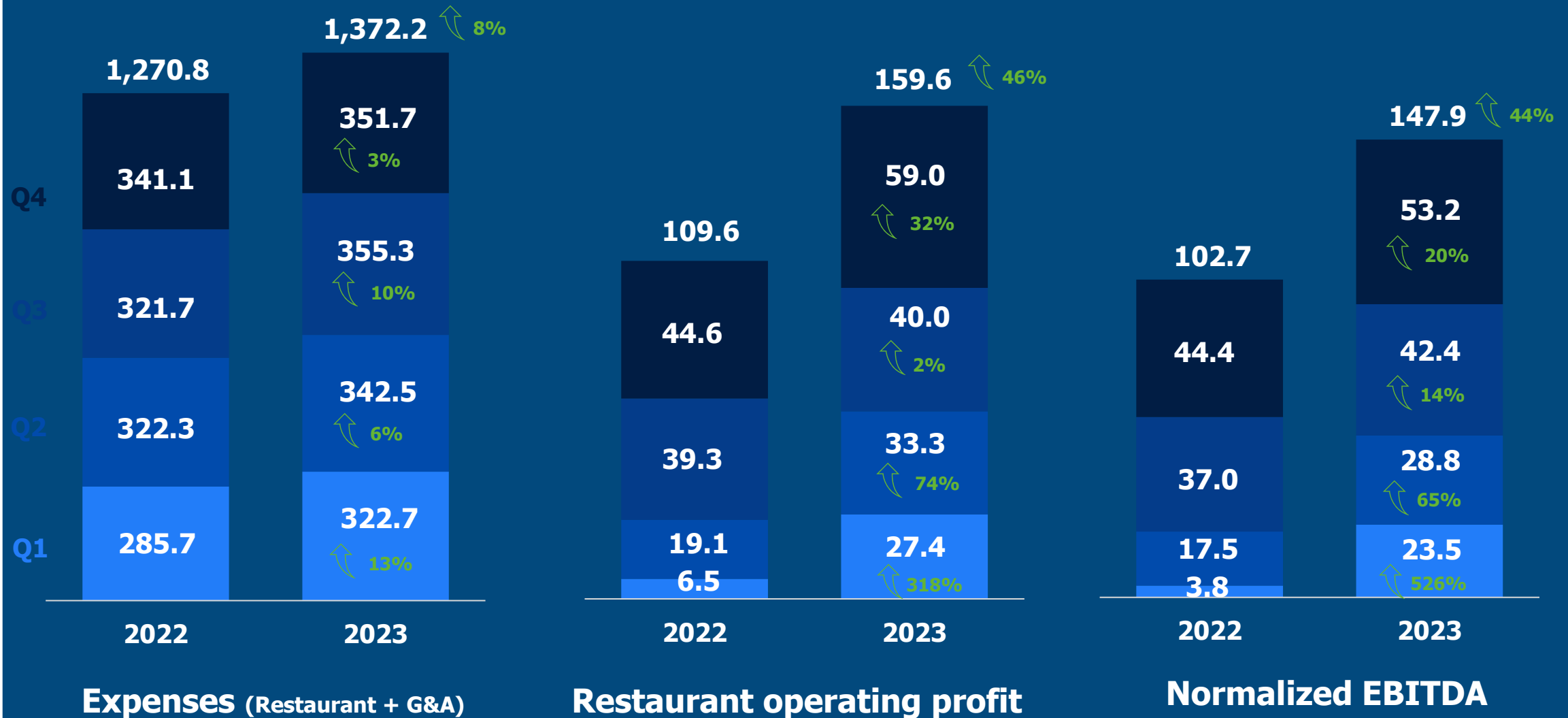


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RON 84.5 mn
+22% vs. 2022

Evolution of key indicators

in RON m, excl. IFRS16





Q4 2023 key financials

in RON m, excl. IFRS16

Data in RON'000	Q4'23	Q4'22	Y/Y %
Restaurant sales	394,436	369,228	6.8%
Restaurant expenses	335,449	324,582	3.3%
Restaurant operating profit	58,986	44,646	32.1%
General & Admin expenses	16,285	16,566	-1.7%
EBITDA	53,218	43,889	21.3%
Normalized* EBITDA	53,233	44,383	19.9%
Operating Profit	42,701	28,080	52.1%
Normalized* operating profit	43,274	33,296	30.0%
Finance costs	2,772	2,848	-2.7%
Finance income	169	128	31.6%
Profit before tax	40,098	25,360	58.1%
Normalized* profit before tax	40,671	30,576	33.0%
Income tax expense	3,793	1,266	199.7%
Specific Tax	0	651	-100.0%
Profit for the period	36,305	23,444	54.9%
Normalized* profit for the period	36,878	28,660	28.7%

The best quarter in the history in terms **sales**, **EBITDA** and **net profit**.

Restaurant expenses grew slower than the revenues in Q4 2023, increasing 3.3% YoY to RON 335.4 million reducing their weight in sales with almost 3pp vs. Q4 2022

Food and material costs increased only 1.6% YoY, significantly below the inflation rate.

The G&A expenses decreased 1.7% YoY to RON 16.3 million, the weight in total sales declining with 0.4pp.

The **operating profit** increased 52.1% YoY, to RON 42.7 million.

Excluding the impact of the one-offs, the **normalized net profit** was RON 36.9 million, a 28.7% increase.



2023P key financials

in RON m, excl. IFRS16

Data in RON'000	2023P	2022A	Y/Y %
Restaurant sales	1,469,172	1,322,822	11.1%
Other restaurant income	-	1,172	-100.0%
Restaurant expenses	1,309,595	1,214,438	7.8%
Restaurant operating profit	159,577	109,555	45.7%
General & Admin expenses	62,655	56,389	11.1%
EBITDA	145,290	102,161	42.2%
Normalized* EBITDA	147,937	102,655	44.1%
Operating Profit	96,923	53,166	82.3%
Normalized* operating profit	104,624	58,382	79.2%
Finance costs	11,772	13,307	-11.5%
Finance income	1,359	496	174.1%
Profit before tax	86,510	40,355	114.4%
Normalized* profit before tax	94,211	45,571	106.7%
Income tax expense	14,404	(1,264)	-
Specific Tax	0	2,565	-100.0%
Profit for the period	72,106	39,054	84.6%
Normalized* profit for the period	79,807	44,270	80.3%

Topline growth rate indicates the **consolidation of the Group's network**, with the principal focus on profit margins.

The **restaurant expenses** increased at a slower pace than sales, growing 7.8% YoY, reducing their weight in sales with almost 3pp, reaching 89.1% of sales in 2023 versus 91.8% in 2022.

Attributable to an effective pricing strategy, internal cost-control measures and higher sales volumes, **restaurant operating profit** increased 45.7% YoY.

4 out of 5 Group companies generated **positive net result**, proving the effectiveness of the strategy adopted by the management to consolidate the presence of KFC Romania and Moldova, while turning KFC Italy and Taco Bell to profit.

The **net debt to EBITDA** ratio was **0.4** as of December 31st, 2023.



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Business updates

Business



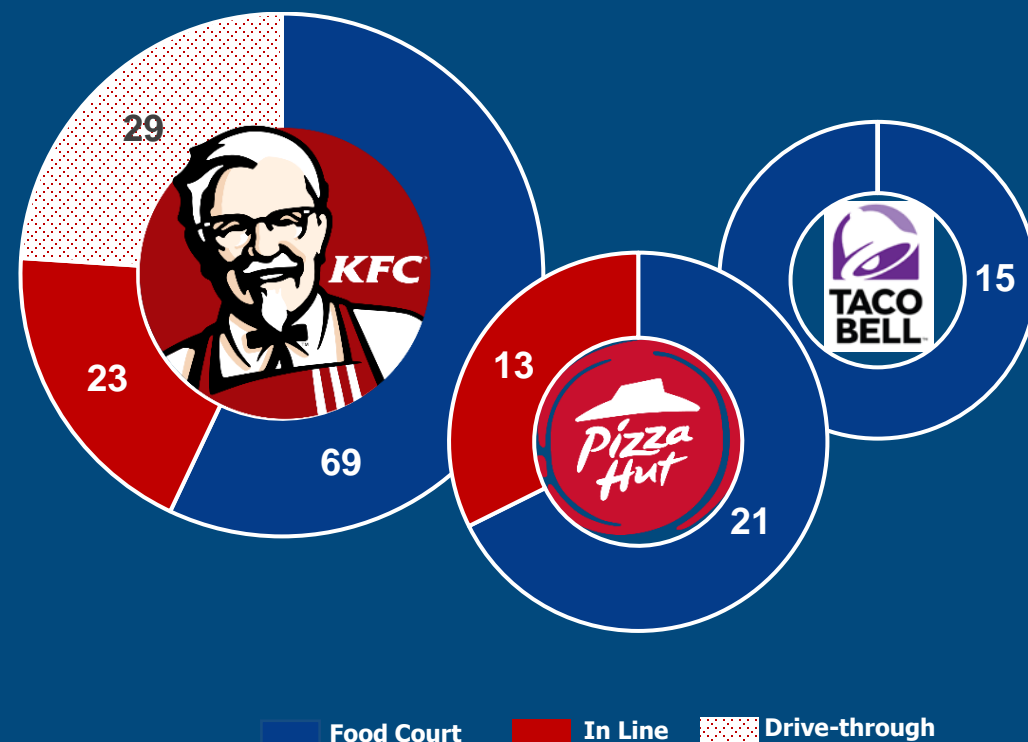
In Q4 2023, Sphera opened 3 new KFC restaurants in Romania – 2 drive thru, one in Buzau and another in Slobozia, and a food court unit in Craiova.

At the same time, the Group closed 3 KFCs, 6 Pizza Hut restaurants and one Paul restaurant in Romania. The closing of KFC Leonida is temporary, due to external factors (building restoration).

The process of streamlining the restaurant network continued in 2024, with the Group closing further 5 Pizza Hut Delivery locations in January.

As of December 31st, 2023, the Group had 5,152 employees, of which 4,662 were based in Romania, 418 in Italy and 72 in the Republic of Moldova.

Network as of 31.12.2023



NOTE: 1 PHD sub-franchise not included above.



KFC



Capital markets

FY 2023 evolution share price vs. market



SFG: +**83.6%**
SFG (incl. div): +**95.5%**



BET: +**31.8%**
BET-TR: +**39.9%**



Best CEO, CFO, IRO and IR program
winner as voted by Institutional Investors,
awarded at ARIR Gala 2023



Marketing KFC



KFC

**CRISPY
SHAORMA**

**RESPECT SHAORMA.
RESPECT POFTA #PEBUNE.**

Sugere de prezentare. Ofertă valabilă în limita stocului disponibil, în perioada 9 noiembrie 2023 - 10 ianuarie 2024, în toate restaurantele KFC din România, cu excepția celor din cadrul benzinărilor parteneri.

KFC

*Bun de împărțit la
— Masa de —
Aproape-Crăciun*

**KFC
CHRISTMAS
BUCKET**

Sugere de prezentare. Ofertă valabilă în limita stocului disponibil, în perioada 16 noiembrie 2023 - 3 ianuarie 2024, în toate restaurantele KFC din România, cu excepția celor din cadrul benzinărilor parteneri.

**KFC
PUNE POFTA PE HARTĂ**

MAGISTRALA POFTEI

- INTRĂ PE [KFC.RO/MAGISTRALA](https://kfc.ro/magistrala)**
- SCANEAZĂ COPANUL DIN ORICE HARTĂ A METROULUI**
- PUI DE-O OFERTĂ**

**DRAGOȘ
NEACȘA**

**GĂTEȘTE
PUICĂ LA KFC**

**SCHIMB
DE
BUCĂTĂRI**

KFC

Marketing Pizza Hut



KFC



NICI PIZZA. NICI CALZONE. NICI SENDVIȘ.
NIMIC NU SE COMPARĂ CU
 — NOUL —
Melts

DE LA **18,90 LEI**

www.pizzahut.ro

Pizza Hut

Ofertă disponibilă în perioada noiembrie 2023 - ianuarie 2024, în limita stocului disponibil în restaurantele Pizza Hut, cu excepția celor de tip Express. Produsele din imagine sunt cu titlu de prezentare.

MY BOX :
COMBINAȚII
NELIMITATE
PENTRU POFFE VARIATE

~~54 LEI~~
27,9 LEI

Pizza Hut IUBIM FAMILIILE AȘA CUM SUNT.

Ofertă valabilă în perioada octombrie - noiembrie 2023, în limita stocului disponibil în restaurantele Pizza Hut din România, cu excepție celor de tip Express. Valoarea de 54,00 lei reprezintă suma estimativă pentru a plăti la fel de bine, o pizza Pepperoni de dimensiune mică pe blat Classic, o porție de 890 Calorii Wings și un set de restaurant cu alcool. Produsul din imagine este cu titlu de prezentare.

MASA PENTRU CEL MIC
NU TE COSTĂ NIMIC

COMANDĂ O PIZZA MEDIUM SAU MARE ȘI CEL MIC
 ARE PIZZA SAU PASTE DIN PARTEA CASEI

Pizza Hut

Ofertă disponibilă doar pentru comenzi cu serviu la masă sau la pachet, doar în restaurantele de tip Dine-In. La orice achiziție de pizza medie sau mare, pe orice tip de blat, copilul li se oferă din partea casei la alegere o pizza mică cu 1 topping pe blat Classic sau Pan, sau o porție de Penne Bolognese junior. Oferta nu se cumulează cu alte promoții sau reduceri oțiale în desfășurare și se este disponibilă pentru copii cu vârsta de până la 14 ani.

FAMILY DEAL:
ÎMPARTI ORICE
PIZZA MEDIUM LA 29 LEI
NU ȘI TELECOMANDA

Pizza Hut IUBIM FAMILIILE AȘA CUM SUNT.

Ofertă disponibilă în perioada august - noiembrie 2023, de luni până vineri, în schimbul oricărei pizza medii pe blat Classic sau Pan, pentru toate rețetele disponibile din meniu, în restaurantele Pizza Hut din România, cu excepție celor de tip Express. Nu se cumulează cu alte oferte și reduceri oțiale în desfășurare. Produsul din imagine este cu titlu de prezentare.



Marketing Taco Bell

TACO BELL

AROMELE TARI VIN ÎN STELUȚE MICI

LIL CRUNCHWRAP

8.90 LEI

Sugere de prezentare. Ofertă valabilă în perioada 7 septembrie - 15 noiembrie 2023 în toate restaurantele Taco Bell din România. Produsele sunt disponibile în limita stocului.

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MEXICAN PIZZA

NU E PIZZA, E TOT TACO

Sugere de prezentare. Ofertă valabilă în perioada 16 noiembrie 2023 - 17 ianuarie 2024 în toate restaurantele Taco Bell din România. Produsele sunt disponibile în limita stocului.

MÁS MENU

PREA COOL CA SĂ-L RATEZI

19,90 LEI

FREE REFILL

TACO BELL

SUGERIE DE PREZENTARE. OFERTĂ DISPONIBILĂ DE LUNI PÂNĂ VINERI ÎN RESTAURANTELOR TACO BELL DIN ROMÂNIA, CU EXCEPȚIA CILOR ÎN BUCUREȘTI. PRODUSE DISPONIBILE ÎN LIMITA STOCULUI.

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Plictisit de burgeri?

la-ți Meniul Crunchwrap Supreme cu discount, doar în **TACO APP**

Download on the App Store GET IT ON Google play

50% REDUCERE

TACO BELL



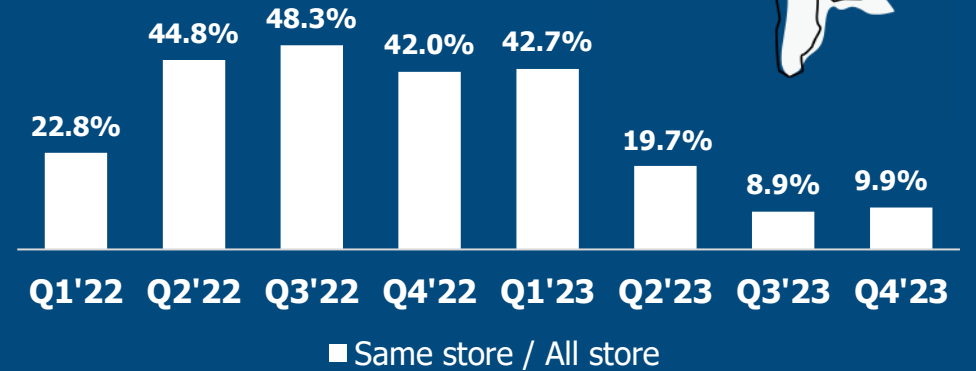
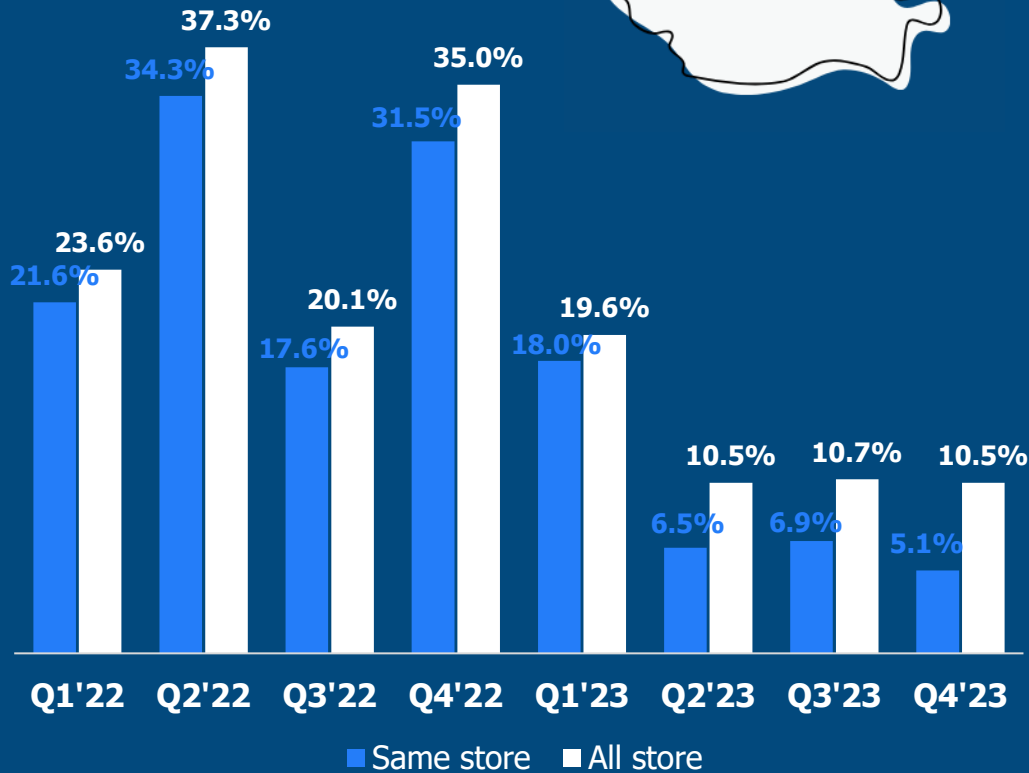
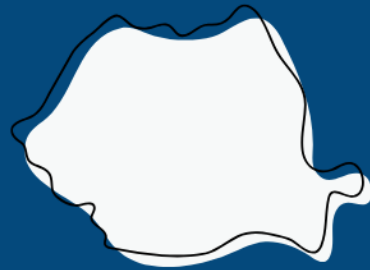
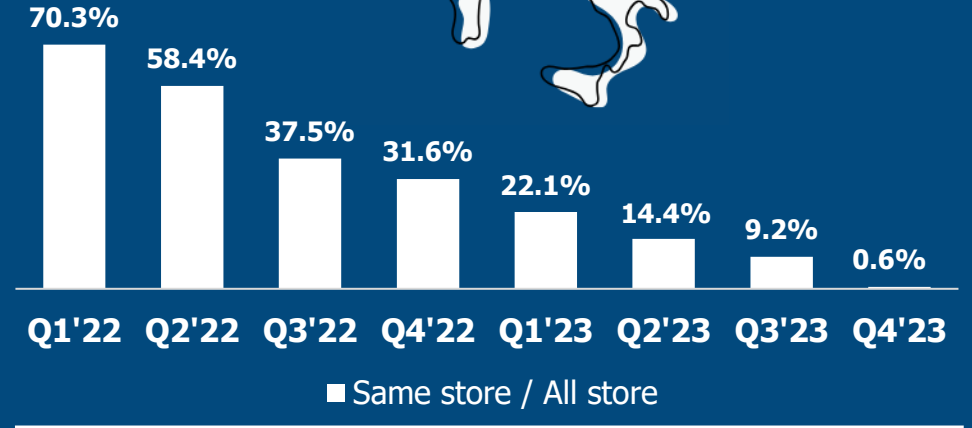
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KFC



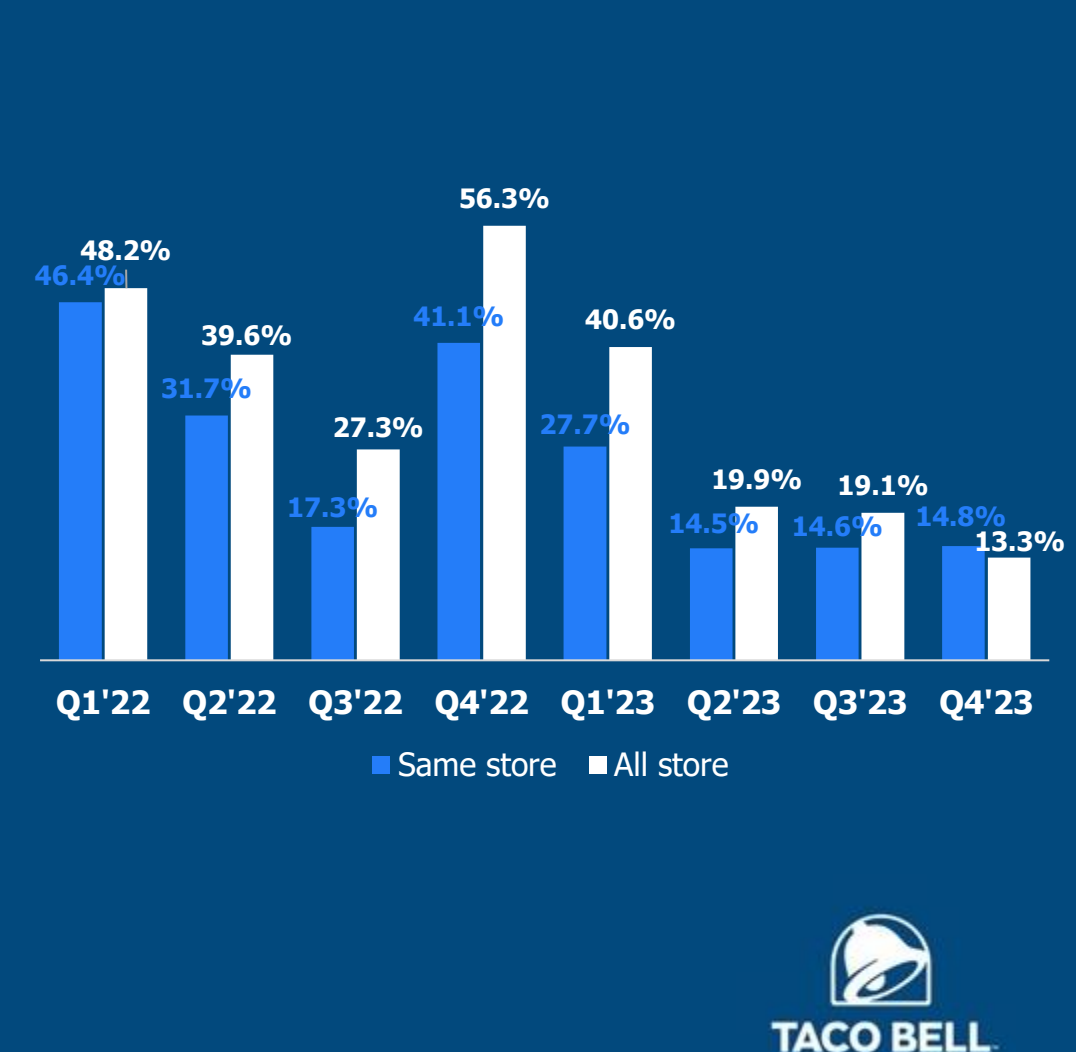
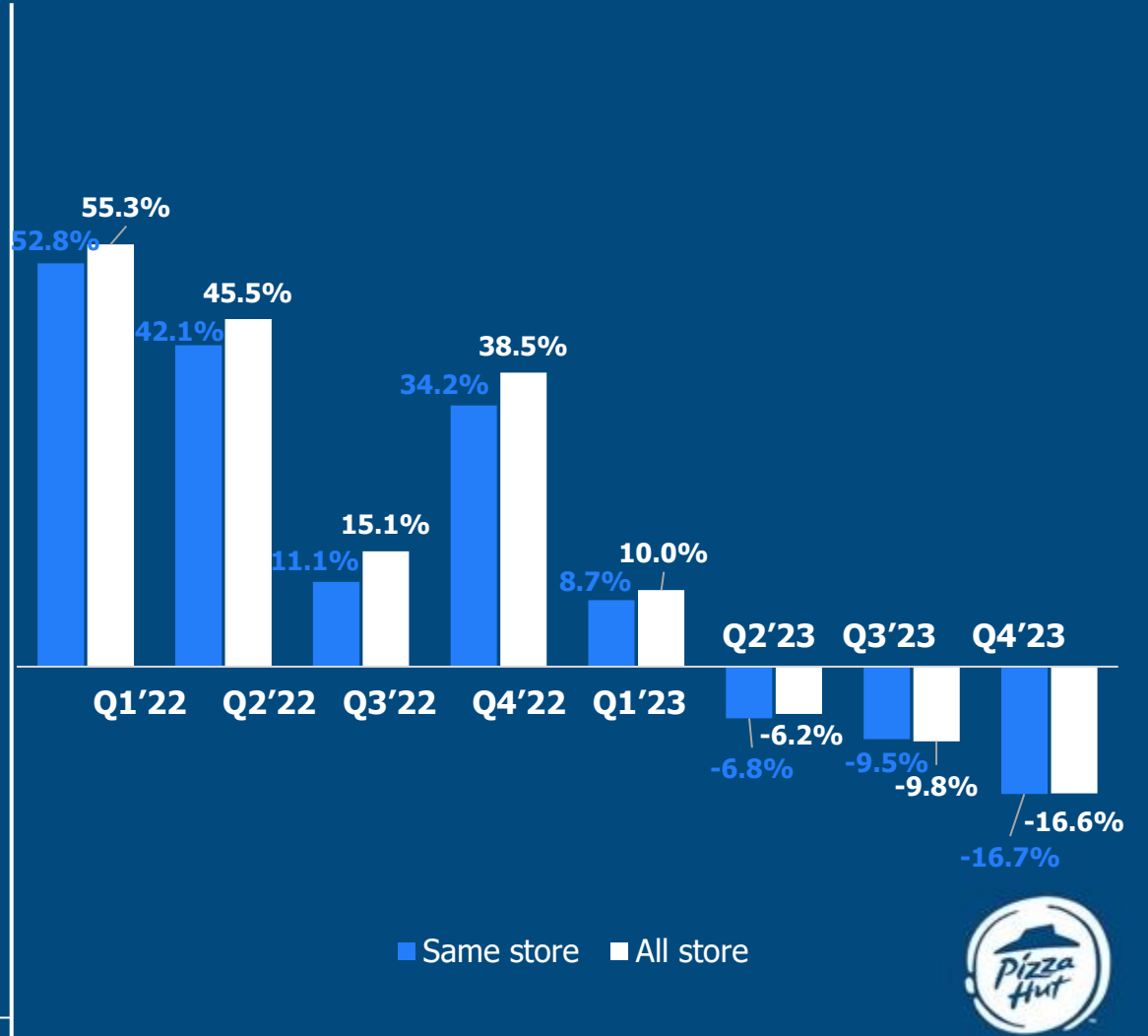
Brand performance

Sales brand performance: KFC



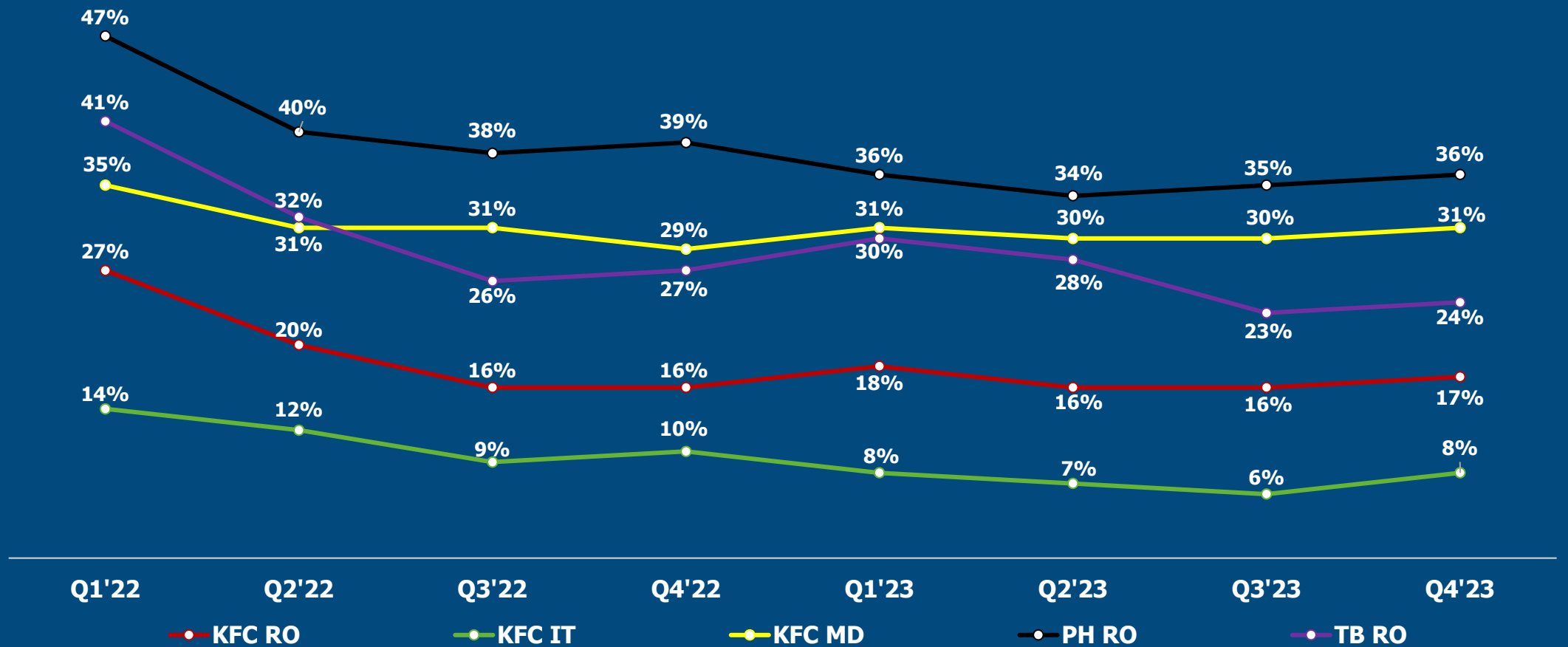


Sales brand performance: Pizza Hut & Taco Bell





Evolution of orders for delivery





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Q&A session



S P H E R A

KFC



Thank you for joining us!

Sphera Franchise Group's unaudited preliminary 2023 results are available for download on our website: **www.spheragroup.com**.

The recording of this conference call will be available on our website shortly.

For any follow-up questions related to Sphera Franchise Group's activity on the Bucharest Stock Exchange, please contact **Zuzanna Kurek**, IRO, at: **investor.relations@spheragroup.com**.