

PIZZAEXPRESS GROUP

HALF YEAR RESULTS for 26 weeks ended 1 July 2018

29 August 2018

Resilient performance in UK & Ireland; international business continues to expand

- Group turnover continued to grow, +2.5% to £262.8m (+3.5% at constant exchange rates)
- Group like-for-like sales down slightly at (1.1)%
- UK & Ireland:
 - Underlying like-for-like sales grew +0.9% excluding impact from adverse weather (down (0.7)% unadjusted)
 - Three new site openings including our second roadside services franchise site
- International:
 - Total sales grew +10.4% with 15 new site openings
 - Like-for-like sales down (3.0)%
- Group EBITDA down (16.3)% to £35.1m, driven by industry wide cost pressures in the UK and lower operating margins in International

Jinlong Wang, Group Chairman and Chief Executive Officer of PizzaExpress, commented:

“The strength of our brand and the quality of our customer experience means PizzaExpress has continued to deliver a resilient performance in the UK & Ireland, despite the widely publicised pressures that continue to impact the UK eating out market

“Adverse weather had a significant impact on sales in the UK & Ireland in the first half of the year; during the snow in the first quarter, we put the safety of our customers and teams first and took the decision to temporarily shut a number of sites, meaning up to 90 restaurants were closed at one stage. Conversely, unseasonably hot weather in the late spring impacted visit frequency to our restaurants.

“We have continued to innovate and look for ways to further enhance customer experience. We have invested in technology and in March launched a new app with improved functionality, which enables diners to “pay by app” when visiting our restaurants. The app has been a great success; reaching number two in the charts during its first week of release, and for a while was second only to WhatsApp, demonstrating the broad appeal of the PizzaExpress brand. It has since achieved over half a million downloads in its first three months since launch.

“Food innovation plays a critical role in ensuring that we continue to remain relevant to our customers. We continue to expand our Vegan range in order to make our offer more compelling for this growing category of consumers. Also this year we have launched a trial of sharing plates, ‘Piattini’, to cater to the trend for a more informal dining experience. Both these initiatives have been well received by customers.

“Other initiatives in the UK & Ireland this year have included a revamped student proposition and a new partnership with leading student network, UNiDAYS, both of which have been a great success so far.

“Home delivery remains a growing trend and we have been working to ensure that the quality of our food when it reaches the customer is as good as it can be, by continuing to make enhancements to our packaging and investing in hot hold technology.

“Expanding internationally remains a key part of our strategy and we continue to refine our operating model in our overseas markets to allow us to do so. Whilst growth in China was slightly slower in the period, we have taken action to improve performance and continue to look at how we operate in Tier 2 cities. We strongly believe China offers a significant long-term structural growth opportunity, and we are focused on getting our model right in that market.

“Looking ahead, we expect the UK trading environment to remain challenging. The strength of our brand means that our trading performance has been resilient in such conditions, however more than ever we are looking at how we improve and develop our business to better enhance our customers’ experience. We remain committed to our international markets and are working hard to refine our offer overseas.”

For further details, please contact:

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Notes to Editors

A Pizza History:

- PizzaExpress has been obsessed with pizza ever since its founder Peter Boizot opened the first PizzaExpress restaurant on Wardour Street in London’s Soho in 1965
- The brand was one of the first to adopt open kitchens
- PizzaExpress now has over 600 restaurants globally and sells over 35 million pizzas in UK supermarkets every year
- To find out more visit www.pizzaexpress.com