

1 August 2023

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This announcement contains Inside Information

## Domino's Pizza Group Plc - Half year results for the 26 weeks ended 25 June 2023

### Continued growth from strong H1 orders, market share gains and acceleration of new store openings

	H1 23 <sup>1</sup>	H1 22 <sup>1</sup>	% change
System sales <sup>2</sup>	£766.4m	£710.5m	+7.9%
Total orders	35.4m	34.4m	+2.8%
Like-for-Like system sales growth (exc.splits & VAT) <sup>3, 4</sup>	+9.7%	+2.4%	-
Group revenue	£332.9m	£278.3m	+19.6%
Underlying <sup>*.5</sup> EBITDA	£68.7m	£63.5m	+8.2%
Underlying <sup>*.5</sup> profit before tax	£50.9m	£50.9m	+0.0%
Statutory profit after tax	£80.2m	£42.1m	+90.5%
Underlying <sup>*.5</sup> basic EPS	9.5p	9.5p	+0.0%
Statutory basic EPS	19.3p	9.5p	+103.2%
Interim dividend per share	3.3p	3.2p	+3.1%

\* Underlying excludes the £40.6m profit on disposal of the German associate in H1 23. Further information within footnote 5.

#### Commenting on the results, Elias Diaz Sese, Interim CEO said:

*"We have delivered a strong first half of 2023 with continued growth in orders and sales. Thanks to our alignment with our brilliant franchise partners, we have been able to accelerate our progress on the strategic initiatives set out at the beginning of the year, with a significant acceleration in store openings, greater app penetration and material improvements in delivery times. Today's results are testament to the hard work of our colleagues and franchise partners who have worked relentlessly to ensure nobody delivers like Domino's."*

*"We are delighted to welcome Andrew Rennie as our new CEO, who brings extensive experience from across the Domino's system. While we continue to face a challenging and uncertain macroeconomic environment, we remain confident in the many opportunities we see for Domino's in 2023 and beyond as we continue to work towards our purpose of delivering a better future through food people love."*

#### Financial highlights

- Like-for-like system sales (exc. splits and VAT) up 9.7%, with Q2 up 8.6%
- Group revenue, up 19.6% driven by an increase in system sales volume, acceleration of store openings and the pass-through of food costs
- Underlying EBITDA +8.2% which includes £5.3m of previously guided one-off technology platform costs<sup>6</sup> and no contribution from Germany (H1 22: £1.8m)

- Excluding the one-off technology platform costs, underlying EBITDA would have been up 16.5%
- Underlying profit before tax flat primarily driven by higher interest costs, following H2 22 refinancing
- Statutory profit after tax +90.5%, driven by proceeds from the disposal of the German associate, generating a profit of £40.6m recorded in non-underlying results
- Good free cash flow of £56.2m (H1 22: £36.8m), driven by working capital management and robust trading momentum
- Interim dividend of 3.3p per share, up 3.1%
- £20m buyback announced on 4 May 2023, with £13.9m repurchased as at 28 July 2023
- New £70m buyback programme, following disposal of German associate, will commence when the current £20m programme has completed
- Net Debt<sup>7</sup> of £171.4m and a leverage ratio of 1.33x, below our target Net Debt / EBITDA leverage range of 1.5x – 2.5x, reflecting receipt of £79.9m from disposal of German associate in June 2023

### **Operational and strategic highlights**

- Year-on-year UK takeaway market share gains: 7.3% in Q2 23<sup>8</sup>, up from 6.6% in Q2 22<sup>8</sup>, in a challenging consumer environment
- H1 total orders of 35.4m, up 2.8% vs. H1 22. Q2 23, 17.4 m orders up 2.8%
  - Collections grew to 12.2m orders, up 20.0% vs. H1 22. Q2 23 up 17.3%
  - Delivery orders down 4.4% vs. H1 22. Q2 23 down 3.9%
- Material acceleration of new store openings as we continue to reap the benefits of franchisee alignment
  - 29 in H1 23 with 11 franchise partners vs. 12 in H1 22 from 7 franchise partners
  - Pipeline is c.70% larger than in FY22 across 30 different franchisees
- Continued digital progress with significant growth in app customers and orders
  - 7.9m active app customers, up 46% vs H1 22 and up 16% vs Q1 23
  - App penetration increases with app orders as a percentage of online orders at 75.2% (+24.8ppts vs. Q2 22) and app downloads +140% compared to H1 22
- Successful roll-out on Just Eat platform complete and continuing to deliver incremental customers and orders. Uber Eats trial expected to commence in some stores in H1 24
- H1 23 average delivery times now under 25 minutes as a result of our franchise partners' focus on service and GPS rolled out to 1,179 stores
- One-time investments in ecommerce and ERP projects largely complete by end of FY23
- As previously announced, appointment of Andrew Rennie as Chief Executive Officer ("CEO"), joins DPG today and will become CEO on 7 August 2023

## **Current trading, outlook and guidance**

The business has delivered a strong first-half performance in a challenging market. Trading momentum is encouraging in the first three weeks of H2 23 with like-for-like system sales excluding split stores increasing by 7.9% with total orders up 2.3%. While the market and consumer backdrop remains uncertain, as a result of the strong first-half performance and current momentum, we now expect to deliver FY23 Underlying EBITDA in a range of £132m – 138m<sup>9</sup>.

We remain focused on accelerating our execution, through five key areas of focus: franchise partner profitability & organisation, value for money, digital, convenience, and technology platform projects. Our asset-light business model and value proposition mean we are well placed to succeed in a challenging trading environment, and we remain confident that we will make further financial and strategic progress, and deliver increased returns for our shareholders.

Our technical guidance for FY23 is as follows:

- FY23 is a 53-week year
- H2 22 benefitted from a £2.1m profit on sale of five corporate stores
- H1 23 benefitted from a £2.3m profit on sale of a freehold property
- Accounting treatment of technology platform costs to impact EBITDA by c.£9m
- Underlying depreciation & amortisation of between £22m to £25m
- Underlying interest (excluding foreign exchange movements) in the range of £14m to £16m
- Estimated underlying effective tax rate of c.22% for the full year
- Capital investment of c.£25m
- Net Debt at year-end between £205m and £225m

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (together, "MAR").

The person responsible for making this notification is Adrian Bushnell, Company Secretary.

## **Contacts**

### **For Domino's Pizza Group plc:**

#### **Investor Relations**

Will MacLaren, Head of Investor Relations +44 (0) 7443 192 118

#### **Media:**

Tim Danaher, Emily Gainsford – Brunswick +44 (0) 207 404 5959

## **Results meeting**

A results meeting and Q&A for investors and analysts will be held at 10:45 BST today. The webcast and presentation can be accessed by [here](#) and will also be available on the Results, Reports and Presentations page of our corporate website.

In addition, we will replay the webcast and Q&A at 16:00 BST today for North American based investors not able to join the live presentation at 10:45 BST this morning. Please click [here](#) to register.

## **About Domino's Pizza Group**

Domino's Pizza Group plc is the UK's leading pizza brand and a major player in the Irish market. We hold the master franchise agreement to own, operate and franchise Domino's stores in the UK and the Republic of Ireland. As of 25 June 2023, we had 1,288 stores in the UK and Ireland.

## **Cautionary statement**

Certain statements made in this announcement are forward-looking statements. Such statements are based on current expectations and assumptions and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results expressed or implied in these forward-looking statements. Persons receiving this announcement should not place undue reliance on forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standard, Domino's does not undertake to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

## Notes

<sup>1</sup> H1 23 is 26 weeks ended 25 June 2023. H1 22 is 26 weeks ended 26 June 2022.

<sup>2</sup> System sales represent the sum of all sales made by both franchised and corporate stores to consumers in UK & Ireland. These are excluding VAT.

<sup>3</sup> An adjustment for the change in VAT rates described for system sales relates to the impact of changes in the VAT applied on hot takeaway food where the VAT inclusive price to customers did not change. The VAT rate in the UK decreased from 20% to 5% on 15 July 2020, increased to 12.5% on 1 October 2021 and reverted back to 20% on 1 April 2022. System sales are consistently reported on an exclusive of VAT basis. However, where the inclusive of VAT price of an order remained the same on a total basis to the customer, over the period of reduced VAT the exclusive of VAT price reported in system sales increased. This leads to an increase in system sales from 15 July 2020 through to 31 September 2021 when the VAT rate was reduced from 20% to 5%. From 1 October 2021, the rate increased from 5% to 12.5%. Where the inclusive of VAT price of an order remained the same on a total basis, this leads to a decrease in system sales compared to the period from 15 July 2020 and an increase in system sales compared to the period before 15 July 2020. With the increase in VAT from 1 April 2022 back up to 20%, where the inclusive of VAT price remained the same to the consumer, there has been a negative impact on system sales compared to the period from 15 July 2020 – 31 September 2021 and 1 October 21 – 31 March 2022, as the exclusive of VAT price of an order decreased.

As an example, for an order where the inclusive of VAT price is £27:

- From 15 July 2020 to 31 September 2021, during the period where VAT was 5%, the reported system sale would be £25.71
- From 1 October 2021 to 31 March 2022, during the period where VAT was 12.5%, the reported system sale would be £24.00
- From 1 April 2022 onwards, where the VAT rate is 20%, the reported system sale would be £22.50

In Ireland, the VAT rate for hot takeaway food reduced from 13.5% to 9% on 1 November 2020 and remains in place. The Irish government also confirmed that the temporary VAT rate reduction to 9% in the tourism and hospitality sectors will not be extended, meaning the VAT rate will revert to 13.5% from 1 September 2023.

<sup>4</sup> Like-for-like (excluding splits) system sales performance is calculated for UK & Ireland against a comparable 52-week period in the prior period for mature stores which were not in territories split in the current period or comparable period. Mature stores are defined as those opened prior to 26th December 2021.

<sup>5</sup> Underlying is defined as statutory performance excluding discontinued operations, and items classified as non-underlying which includes significant non-recurring items or items directly related to merger and acquisition activity and related instruments as set out in note 4 to the financial information. For H1 23, Underlying excludes the £40.6m profit on disposal of the German associate.

<sup>6</sup> The technology platform costs relate to two new cloud-based IT systems (a new ecommerce platform and a new ERP system) for which the investment in these assets is required to be expensed through the income statement. This treatment has no impact on cash and is simply a reclassification from capital expenditure to operating expenditure. As previously communicated, both systems are part of our investment in growth and the ecommerce platform is part of our growth investment framework agreed with our franchise partners in December 2021. The accounting treatment of costs incurred for the cloud-based IT solutions is in accordance with the IFRS Interpretations Committee update in March 2021, which included an agenda decision around the treatment of configuration and customisation costs in a cloud computing arrangement involving Software as a Service. Under this guidance, the costs incurred by the Group on these elements of the platform is required to be expensed as incurred.

<sup>7</sup> Net Debt is defined as the bank revolving facilities, private placement facilities, cash and cash equivalents and other loans, including balances held in disposal groups held for sale.

<sup>8</sup> Kantar Worldwide Panel, bespoke market definition. Q2 23 is 12 weeks to 11 June 2023, Q2 22 is 12 weeks to 12 June 2022. Takeaway market combines both Delivery and Collection.

<sup>9</sup> Current mean of FY23 Underlying EBITDA expectations is £127.6m with a range of £125.0m - £129.2m, assumed to be on 52 week basis.. Based on 9 analysts' forecasts.

## **Performance summary**

We have delivered a strong first-half performance in a challenging market. Alignment with our world-class franchise partners and the acceleration of our strategy resulted in record order count and robust sales growth. Our focus on the five strategic priorities for FY23 has resulted in our market share increasing from 6.6% in Q2 22 to 7.3% in Q2 23.

Trading in H1 23 was strong, with like-for-like system sales, excluding splits and the impact of VAT, up 9.7%. This is due to working collaboratively with our franchise partners, focusing on our five key priorities for the year and giving our customers great service and value in a challenging market.

Underlying EBITDA was £68.7m, up 8.2% compared to H1 22, driven by an increase in system sales volume, acceleration of store openings and the pass-through of food costs. We incurred £5.3m of previously guided technology platform costs in H1 23. Excluding these, underlying EBITDA would have increased 16.5%.

Statutory profit after tax was £80.2m, up 90.5% on H1 22 as a result of profit from the disposal of the German associate, generating a profit of £40.6m recorded in non-underlying results.

Free cash flow generated by the business was £56.2m, an increase from £36.8m in H1 22 driven by increased EBITDA and working capital management.

Net Debt decreased by £81.9m from the start of FY23 to £171.4m with Net Debt/EBITDA leverage decreasing to 1.33x (excluding IFRS 16) below our target Net Debt / EBITDA leverage range of 1.5x – 2.5x, reflecting receipt of £79.9m from disposal of German associate in June 2023.

The continued strong performance of the business means that, in line with our capital allocation framework, we will pay an interim dividend of 3.3p, a 3.1% increase compared to the prior year.

Following the disposal of the German associate, a new £70m buyback programme will commence when the current £20m programme has completed.

## **Strong strategic progress in H1 23**

We are very pleased with the strategic progress we have made and are resolutely focused on accelerating the execution of our strategy. As we have previously outlined, we have five key enablers which will drive this acceleration:

### **1. Franchise partner profitability / Organisation**

As we outlined at our FY22 results in March, our priority this year is to work with our franchise partners to help improve their store profitability. We are making good progress, with average store EBITDA broadly flat in H1 23 vs H1 22 after adjusted for VAT, despite significant inflationary pressures. We have focused on continuing to invest in growth, in line with the framework we agreed with our franchise partners in December 2021; working with our suppliers to look for efficiencies; developing revenue management initiatives and driving operational efficiencies.

Our franchise partners have delivered an outstanding performance in challenging market conditions, and we are benefitting from a system which is aligned. In H1 23, our franchise partners have delivered great value to customers through two successful national campaigns, benefitted from the roll-out on Just Eat, delivered material improvements in service and accelerated our new store openings.

We have supported our franchise partners with incentives to accelerate new store rollouts, continued the food cost rebate mechanism and undertaken a dedicated programme of national roadshows focused on improving service and quality of product. We have worked closely with key suppliers to ensure we have optimal stock cover and to minimise cost inflation where possible for our franchise partners. Our world-class supply chain continues to deliver outstanding performance. We maintained 99.9% availability and 99.8% accuracy in a period of challenging market conditions.

Based on the unaudited data submitted to us by franchise partners, average store EBITDA for all UK stores in H1 23 was approximately £76k, equivalent to a 13% EBITDA margin. This compares to £79k or 14% EBITDA margin achieved in H1 22, when adjusted for VAT, and £70k or 14% EBITDA margin achieved in H1 19.

In July we announced the appointment of Andrew Rennie as CEO with effect from 7 August 2023. Andrew has an extensive career in the Domino's global system, a deep knowledge of the brand, extensive experience of working with franchisees, and was himself a very successful multi-unit franchisee for a decade. We have reshaped our Executive leadership team to ensure that we are leaner, and can make faster decisions. We have also undertaken a wider review and restructure of our organisation to focus on increasing agility, focus and profitability. As part of the review of the organisation we have prioritised talent development to nurture and develop future leaders of the business. Together with our franchisee partners, we are now able to act more quickly to the changes in the market that we are seeing.

## **2. Value for Money**

Our strong value message continues to resonate with consumers, and our focus on value for money is essential in the current trading environment. We started the year with a strong value offer with our successful 'Price Slice' deal in the UK which had £8, £10, £12 price points for small, medium and large pizzas. In Q2 23 we launched a 50% off app-only deal which gave customers great value and drove more customers to our app. These deals were a strong contributor to our performance in H1 23 and we will continue to provide innovative deals offering our customers compelling value.

We continue to aspire to return our delivery orders to growth in FY23 and to reduce the average delivery time for our customers. We are making good progress, with the trajectory of delivery orders improving, down 3.9% in Q2 23, an improvement on the previous four quarters. Customer service performance, including average delivery times and percentage of deliveries on time, improved significantly in H1 23 relative to H2 22 and H1 22. Average delivery times were under 25 minutes in H1 23 compared to over 26 minutes in H1 22. We continue to improve our delivery experience for our customers and franchise partners. In H1 23, we continued the roll out of our enhanced GPS solution which is now live in 1,179 stores and it will be fully deployed by the end of 2023. This will help stores manage labour through more efficient driver route planning and better co-ordination with the store, as well as allowing drivers to use their own device. It also enables customers to see exactly where their order is and provide an accurate delivery time.

We aim to attract and retain new customers through a strong pipeline of new pizzas, sides and desserts, and to increase order frequency through innovation of our core menu. In January we launched Vegan American Hot to coincide with Veganuary, to offer further choice to our Vegan and Flexitarian customers. This was followed by the launch of the Ultimate Chicken Mexicana, which was our best-selling innovation in the last five years. We have also launched three live store trials for 'Domishakes', wraps and 'Italianos' across multiple franchise groups to test new products which will expand our menu, drive spend and attract new customers. The trials are performing ahead of expectations, showing opportunities for future growth.

### **3. Digital**

We have seen a step change in our digital progress. The Domino's app is the key driver of our digital growth strategy and will be a material contributor to future system sales growth.

Orders generated through our app grew 37.3% in H1 23, and app orders as a percentage of online orders were 75.2% in Q2 23, an increase of 24.8ppts vs. Q2 22 and 10.9ppts vs Q1 23. App downloads were 140% higher vs. H1 22 and the number of active app customers reached 7.9m, an increase of 46% compared to H1 22.

App customers are particularly important to us because in the last 12 months, customers who only use the app yield 43% higher sales per customer than those who only use the website. In addition, customers who only used the app in the last 12 months had an average order frequency 51% higher than web-only customers. Attracting more orders through the app continues to be a key focus in 2023.

### **4. Convenience**

We have seen a significant acceleration in our new store openings. We opened 29 new stores in H1 23 with 11 different franchise partners compared to 12 in H1 22 from 7 different franchise partners. This acceleration is a result of rebuilding our store-opening pipeline with our franchise partners and the continued opportunity we see for growing the store estate in the UK and Ireland. We currently have 6 stores under construction and a further 25 with planning permission. Our combined openings and pipeline is c.70% larger than in FY22, more than 30 franchisees have stores in development this FY and we continue to expect new store openings in FY23 to increase the total store estate by mid-single digits percentage points. Importantly, we already have over 25 stores in development for FY24 and the pipeline continues to strengthen. We remain on track to open at least 200 stores over the medium term.

Domino's has now been rolled out on the Just Eat platform for two full quarters. We are focused on continuing to drive incremental customers and orders and look forward to a full year benefit of being on the platform. Following Domino's Pizza Inc.'s global agreement with Uber, DPG expects to start a trial in some stores in H1 24. The data-led trial will enable some customers to order Domino's Pizza via the Uber Eats platform, but the pizzas will be delivered by our own Domino's delivery drivers, which is the same approach as in our relationship with Just Eat. The trial would complement our existing partnership with Just Eat and will enable us to fully understand if there are benefits for our customers, our franchise partners, and our business in partnering with two platforms in the UK and Ireland.

### **5. Technology platform projects**

In H2 22 we started work on two important technology projects. First, we began work on our new ecommerce platform which will deliver significant benefits to our franchise partners and ultimately provide an enhanced experience for our customers. The new platform will provide us with a scalable and best in class ecommerce back end. It will enable us to deliver improvements quickly and significantly more cost efficiently than our current platform. This will also enable more agile marketing and promotions to be put in place, build a resilient platform for our next stage of growth and enable us to introduce a loyalty platform. The ecommerce platform is on track and is expected to complete by the end of FY23, enabling us to be able to offer a loyalty programme to customers in FY24.

Secondly, we began work on a new ERP system which will enable us to improve processes across our business and generate efficiencies in our supply chain. The ERP system remains on track for launch in H1 24.



As previously guided, operating expenditure in FY23 is elevated by c.£9m of one-time spend related to the implementation of these projects, with the remaining ERP implementation expenditure expected to be in the low single digit millions in FY24. Capital expenditure relating to the implementation in FY23 is similarly elevated by c.£5m of one-time spend which is not expected to repeat in FY24.

### **Delivering our sustainable future**

Our corporate purpose is to Deliver a Better Future Through Food People Love. In H1 23, we were pleased to publish our 'Connect the Dots' sustainability strategy, which sets out our joined-up approach across the business to achieve our sustainability goals. The strategy has five key pillars which we are already making good progress against. This includes the ongoing trial of our 650 calorie Cheeky Little Pizzas under the pillar of giving customers more choice, and the opening of our first lower carbon store in Hammersmith, to support our environmental impact pillar. We look forward to updating further on our progress in the Group's first sustainability report in early 2024.

## H1 23 trading review

### Continued underlying like-for-like system sales growth

System sales represent all sales made by both franchised and corporate stores to consumers. Total system sales were £766.4m, up 7.9% on H1 22. Like-for-like system sales across UK & Ireland increased by 6.3%, excluding split stores, or by 5.3% including splits. Like-for-like system sales, excluding splits and the different VAT rate in Q1 22, increased by 9.7%. The VAT rate reverted to 20% on 1 April 2022, and therefore from the start of Q2 23, there is no VAT impact when comparing quarterly performance to the prior year.

<b><u>UK &amp; ROI</u></b>	Q1 2023	Q2 2023	H1 2023	Q1 2022	Q2 2022	H1 2022
LFL inc. splits	3.5%	7.3%	5.3%	(3.6)%	(11.4)%	(7.5)%
LFL exc. splits	4.4%	8.4%	6.3%	(2.4)%	(10.4)%	(6.4)%
VAT rate	20%	20%	-	12.5%	20%	-
LFL inc. splits and exc. VAT	9.8%	7.5%	8.6%	2.7%	(0.2)%	1.2%
<b>LFL exc. splits and exc. VAT</b>	<b>10.7%</b>	<b>8.6%</b>	<b>9.7%</b>	<b>3.9%</b>	<b>0.9%</b>	<b>2.4%</b>

Our trading in H1 23 was driven by our key areas of focus; giving customers' value for money through compelling national value campaigns and our franchise partners' focus on service; our digital acceleration, the continued incremental benefit of being on the Just Eat platform and new store openings.

The quarterly analysis of this performance, as well as the VAT rate for each period is in the table above.

<b><u>UK &amp; ROI</u></b>	<b>LFL inc. splits (YOY Growth)</b>			<b>Total (All Stores)</b>	
	<b>Sales</b>	<b>Volume</b>	<b>Price</b>	<b>Orders (m)</b>	<b>YOY Order Growth</b>
<b>Total</b>					
Q1	3.5%	(7.2)%	10.7%	18.0m	2.8%
Q2	7.3%	(6.0)%	13.2%	17.4m	2.8%
H1	5.3%	(6.6)%	11.9%	35.4m	2.8%
<b>Delivery only</b>					
Q1	(0.9)%	(12.3)%	11.4%	12.1m	(4.9)%
Q2	2.9%	(9.8)%	12.7%	11.1m	(3.9)%
H1	0.9%	(11.1)%	12.0%	23.2m	(4.4)%
<b>Collection only</b>					
Q1	22.5%	12.4%	10.1%	5.9m	23.0%
Q2	24.0%	6.6%	17.4%	6.3m	17.3%
H1	23.3%	9.4%	13.9%	12.2m	20.0%

Total orders in the period grew by 2.8%. This was driven by a 20.0% growth in collection orders, offset by a 4.4% decline in delivery orders.

Collections continued to show strong growth in Q2, up 17.3%. Collection represents the most efficient labour channel, with delivery effectively outsourced to the customer and collection volumes are now 120% of 2019 levels. Delivery orders were down 3.9% in the quarter, an improvement on the previous four quarters.

### **Corporate stores**

In Q4 22, we sold five corporate stores to an existing franchise partner. In H1 23 corporate stores revenue decreased by £1.2m to £16.4m as a result of the lower number of stores. Excluding these stores, revenue would be up £1.1m over H1 22. Corporate stores EBITDA was £0.5m, £0.6m lower than H1 22 due to the comparator period having a VAT benefit in Q1 22 and the disposal of five stores. Following the sale of these stores, we now directly operate 31 stores in the London area.

### **German associate**

Completion of the disposal of our German associate occurred on 5 June 2023. £79.9m of proceeds were received, comprising a put option exercise price of £70.6m and the repayment of a £9.3m loan. Following the exercise of the put option on 10 November 2022 there was no contribution from the German associate in H1 23 (H1 22: £1.8m).

### **£398m returned to shareholders since Capital Allocation Framework launched**

We have a highly cash-generative, asset-light business model and, in March 2021, we launched a new capital allocation framework. Our first priority is to invest in the business to drive long-term organic growth. We will continue to maximise shareholder returns through a sustainable and progressive dividend and operate a disciplined approach to assessing additional growth opportunities. Finally, operating within a normalised leverage range of 1.5x – 2.5x net debt to Underlying EBITDA, we aim to maximise returns with an annual allocation of surplus cash to shareholders. Since launching the framework, we have announced £398m of returns to shareholders, through £142m in dividends and £256m in share buybacks.

In the half, we generated £56.2m of free cash. We have invested £11.3m in capital investment in our core business and will pay an interim dividend of 3.3p which represents a 3.1% increase compared to the 2022 interim dividend. We announced a £20m share buyback in May 2023 and as at 28 July 2023 £13.9m of the programme had been executed.

Following the disposal of the German associate, a new £70m buyback programme will commence when the current £20m programme has completed.

## Financial review

- Underlying profit before tax of £50.9m, in line with H1 FY22, with increased trading profits offset with a £3.7m increase in net interest charges and lower contributions from investments.
- Statutory profit after tax of £80.2m, up from £42.1m primarily as a result of the disposal of the investment in the German associate which generated a non-underlying profit on disposal of £40.6m.
- Free cash flow increased by £19.4m to an inflow of £56.2m, as the EBITDA generated increased and working capital benefited from the reversal of outflows incurred in FY22 as a result of timing differences.
- Overall net debt decreased by £81.9m largely as a result of the £79.9m cash received on the disposal of the Investment in the German associate which was offset against dividends, share buy backs and capital expenditure.

	<b>26 weeks ending 25 June 2023 £m</b>	<b>26 weeks ending 26 June 2022 £m</b>
<b>Group revenue</b>	<b>332.9</b>	<b>278.3</b>
<b>Underlying EBIT before contribution of investments</b>	<b>56.8</b>	<b>49.7</b>
Contribution of investments	1.7	3.3
German associate contribution	-	1.8
<b>Underlying EBIT</b>	<b>58.5</b>	<b>54.8</b>
Underlying net finance costs	(7.6)	(3.9)
<b>Underlying profit before tax</b>	<b>50.9</b>	<b>50.9</b>
Underlying tax charge	(11.3)	(8.8)
<b>Underlying profit after tax</b>	<b>39.6</b>	<b>42.1</b>
Non-underlying items – profit on Germany disposal	40.6	-
<b>Statutory profit after tax</b>	<b>80.2</b>	<b>42.1</b>
<b>EBITDA reconciliation</b>		
<b>Underlying EBITDA</b>	<b>68.7</b>	<b>63.5</b>
Depreciation and amortisation	(10.2)	(8.7)
<b>Group Underlying EBIT</b>	<b>58.5</b>	<b>54.8</b>

We are pleased to have delivered strong financial performance in the half year, despite the costs incurred investing in the technology platforms. Underlying EBIT increased by £3.7m to £58.5m due to higher supply chain growth driven by annualization on price increases from the prior year. Statutory profit after tax increased to £80.2m from £42.1m, primarily due to the profit on disposal of the Investment in the German associate which is treated as a non-underlying item.

## Revenue

Our key metric for measuring the revenue performance of the Group is system sales, rather than our Group revenue. System sales are the total sales to end customers through our network of stores, for both franchise partners and corporate stores. Our Group revenue consists of food and non-food sales to franchise partners, royalties paid by franchise partners, contributions into the NAF and eCommerce funds, property income and end-customer sales in our corporate stores.

Within our Group revenue, the volatility of food wholesale prices, together with the combination of different revenue items, means that analysis of margin generated by the Group is less comparable than an analysis based on system sales. We consider that system sales provide a useful alternative analysis over time of the health and growth of the business.

Reported system sales in the period were £766.4m, up 7.9% due to growth in order count alongside ticket increases.

	<b>26 weeks ended</b>	26 weeks ended
	<b>25 June 2023</b>	26 June 2022
	<b>£m</b>	£m
Supply Chain revenue	235.7	190.7
Royalty, rental & other revenue	41.9	38.1
Corporate Stores revenue	16.4	17.6
NAF & eCommerce	38.9	31.9
<b>Total</b>	<b>332.9</b>	<b>278.3</b>

Reported revenue increased by £54.6m, an increase of 19.6%, primarily driven by increases in supply chain revenue as a result of increased food costs, which are passed through to our franchise partners.

Royalty, rental and other revenues primarily relate to the royalty revenue we receive from our franchise partners based on a percentage of system sales and rental income. This increased by £3.8m mainly due to higher system sales.

Revenue for our directly operated corporate stores in London decreased by £1.2m due to lower number of stores as a result of the disposal of 5 stores at the end of 2022. Excluding these stores, revenue would be up £1.1m over prior year. NAF and eCommerce revenue was up £7.0m due to increased spend in the period, as revenue is recognised based on costs incurred at nil profit.

## Underlying earnings before interest and taxation

Underlying EBIT increased by £3.7m to £58.5m. This is driven by a £11.0m increase in underlying trading and a benefit of £2.3m relating to the sale of freehold property, offset with £6.3m of technology platform costs, £1.8m lower contributions from the German associate, £1.0m due to prior year uplift in the investment in Shorecal and £1.5m increase in depreciation and amortisation.

The Group's continuing investment in two technology platform projects, the eCommerce platform replacement and the new ERP system, resulted in a total cost of £5.3m recognised within EBIT. These costs are explained further below.

As a result of the Group exercising our option to sell our investment in the German Associate, we ceased accounting for our share of profits from the exercise date. This resulted in no contributions being accounted for in the period, which is a £1.8m decrease on prior year.

During the current period there was no benefit in the revaluation of the Investment in Shorecal which resulted in a £1.0m benefit in the prior year.

## Technology platform costs

	EBITDA	Amortisation	Profit before tax	Capital expenditure
	£m	£m	£m	£m
ERP	(3.7)	(0.7)	<b>(4.4)</b>	-
eCommerce platform	(1.6)	(0.3)	<b>(1.9)</b>	(2.9)
<b>Total investment costs</b>	<b>(5.3)</b>	<b>(1.0)</b>	<b>(6.3)</b>	(2.9)

During the year, we continued to develop and implement two new cloud-based IT systems, an eCommerce platform and an ERP system.

These projects will enable us to capture growth in the future and drive further efficiencies. The eCommerce platform costs are part of the growth investment framework agreed with our franchise partners in December 2021.

The total costs recognised in underlying profit before tax relating to these projects was £6.3m.

Within EBITDA, costs of £5.3m have been recognised, of which £3.7m relates to the ERP, and £1.6m relates to the eCommerce platform. These represent costs spent on development of these assets, which are expensed through the income statement rather than capitalised as intangible assets, as they relate to cloud platforms. For the ERP, this represents the full spend on the project in period.

For the eCommerce platform, this relates to the percentage spent on the cloud-based element of the project. An additional £2.9m has been recorded in capital expenditure relating to the eCommerce platform. Within amortisation, a total cost of £1.0m is recognised. This consists of £0.7m relating to the ERP for accelerated depreciation of the current platform, and £0.3m relating to the eCommerce platform.

The eCommerce platform is on track and is expected to be complete by the end of FY23, enabling us to offer a loyalty programme to customers in FY24. The ERP system is on track to be launched in H1 24.

## **Interest**

Net underlying finance costs in the period were £7.6m, an increase of £3.7m. In July 2022, the Group successfully refinanced the existing revolving credit facility with a facility limit of £200m and issued £200m private placement notes at a fixed rate of 4.26%. The increase in the fixed borrowing rate, together with the increase in variable rates under the revolving credit facility, largely contributed to the increase, together with an overall increase in net debt during the year.

## **Taxation**

The underlying effective tax rate for H1 23 was 22.2% (H1 22: 17.3%), which is lower than the UK statutory rate of 25% effective from April 2023, due to the contribution of joint ventures, associates and investments.

## **Profit after tax and non-underlying items**

Underlying profit after tax from continuing operations was £80.2m, an increase from £42.1m in H1 2022 due to the £40.6m profit on disposal of the Investment in the German associate which has been classified under non-underlying during the period. Proceeds of £70.6m were received for the investment with a book value of £32.4m, which together with a currency translation gain of £2.5m and professional fees of £0.1m resulted in the profit on disposal of £40.6m.

## **Earnings per share**

Underlying basic EPS was flat at 9.5p, as the decrease in underlying profit after tax was offset with a lower number of weighted average shares due to the share buyback programmes. Statutory EPS increased to 19.3p from 9.5p, largely due to the profit on disposal of the investment in the German associate.

## Free cash flow and Net Debt

	<b>26 weeks ended 25 June 2023</b>	26 weeks ended 26 June 2022
	<b>£m</b>	£m
Underlying EBITDA	68.7	63.5
Add back non-cash items		
- Contribution from investments	(1.7)	(5.1)
- Other non-cash items	(1.0)	1.0
Working capital	10.2	(11.2)
IFRS 16 – net lease payments	(3.1)	(3.8)
Dividends received	1.8	3.9
Net interest	(7.1)	(2.2)
Corporation tax	(11.6)	(9.3)
<b>Free cash flow</b>	<b>56.2</b>	<b>36.8</b>
Capital expenditure	(11.3)	(7.5)
Repayment from German associate	9.3	0.8
Market Access fee proceeds	-	8.6
Disposals	70.6	0.6
Disposal of property, plant and equipment	4.4	-
Dividends	(28.3)	(30.0)
Share buyback	(17.1)	(42.5)
Share transactions - EBT	(1.9)	(3.3)
<b>Movement in Net Debt</b>	<b>81.9</b>	<b>(36.5)</b>
Opening Net Debt	(253.3)	(199.7)
Movement in capitalized facility arrangement fee	(0.3)	-
Forex on net debt	0.3	(0.2)
<b>Closing Net Debt</b>	<b>(171.4)</b>	<b>(236.4)</b>
<b>Last 12 months Net Debt/EBITDA ratio from continuing operations (excl. IFRS 16)</b>	<b>1.33x</b>	<b>1.95x</b>
<b>Last 12 months Net Debt/EBITDA ratio from continuing and discontinued operations (excl. IFRS 16)</b>	<b>1.33x</b>	<b>1.99x</b>



Net debt decreased by £81.9m during the period to £171.4m, with a free cash flow generated of £56.2m and £79.9m received from the disposal of the Investment in the German associate. This was offset with capital expenditure of £11.3m and returns to shareholders through dividends of £28.3m and share buybacks of £17.1m.

Free cash flow was £56.2m, an increase of £19.4m on the previous year. Underlying EBITDA was £68.7m, an increase of £5.2m due to higher gross profit as a result of higher supply chain growth driven by annualization on price increases from the prior year.

The working capital inflow of £10.2m (H1 22: outflow of £11.2m) was primarily due to the reversal of the prior year working capital outflow of which £4.4m relates to decrease in debtors, £5.2m inflow relating to the timing of creditor payments at year end, inflow of £3.6m due to higher accruals balances, and lower inventory levels of £3.7m due to higher stock holding at year end. This was offset with an outflow of £6.3m due to the unwind of the timing of cash receipts and payments for online sales following the strong performance in the final week of FY22.

Net IFRS 16 lease payments decreased in the period from £3.8m to £3.1m based on the timing of rental payments. Dividends received decreased from £3.9m to £1.8m, which includes a dividend received of £1.0m from our investments in associates and joint ventures as well as £0.8m from our investment in Shorecal.

Net interest payments of £7.1m increased from £2.2m as a result of increased interest charges on the new debt facilities put in place in July 2022 and timing of interest payments on the private placement loans, with the first six-monthly payment paid in January 2023.

Capital expenditure increased to £11.3m from £7.5m, as we continued our investment in the Group. Of this amount £4.4m relates to investment in eCommerce and £2.1m relates to development and expansion of our supply chain centre in Ireland.

In June 2023, the Group received £79.9m for the disposal of the German associate, of which £70.6m relates to the disposal of the investment and £9.3m relates to the repayment of a loan.

Disposal of property, plant and equipment of £4.4m relates to the disposal of freehold property.

The share buyback cash outflow of £17.1m includes the remaining £8.9m of the £20.0m share buyback programme announced in November 2022, and £8.2m relates to the £20.0m programme announced in May 2023.

## Capital employed and balance sheet

	At 25 June 2023 £m	At 25 December 2022 £m
Intangible assets	29.7	30.0
Property, plant and equipment	96.8	96.5
Investments, associates and joint ventures	36.3	36.7
Deferred consideration	0.3	0.3
Right-of-use assets	19.1	21.3
Net lease liabilities	(21.3)	(23.4)
Provisions	(15.3)	(15.3)
Working capital	(45.5)	(27.9)
Net Debt (continuing operations)	(171.4)	(253.3)
Share buyback obligation	(11.9)	(8.9)
Tax	(1.8)	(1.7)
Held within assets and liabilities held for sale	-	32.9
<b>Net liabilities</b>	<b>(85.0)</b>	<b>(112.8)</b>

Intangible assets decreased by £0.3m to £29.7m, as additions of £4.8m on software assets were offset with amortisation of £5.1m.

Property, plant and equipment increased by £0.3m to £96.8m due to increased capital spend associated with our supply chain centre in Ireland and the installation of solar panels across our supply chain centres. This spend was offset against depreciation of £2.5m and the disposal of freehold property of £1.9m during the period.

Investments, associates and joint ventures decreased by £0.4m due to trading performance of our associates and joint ventures offset with the dividends received. This includes a £0.8m dividend received from the Investment in Shorecal.

Right of use assets of £19.1m represents the lease assets for our corporate stores, warehouses and equipment leases recognised under IFRS 16 in the current period. The net lease liability is £21.3m (25 December 2022: £23.4m). There have been no significant changes in the lease portfolio during the period.

Working capital has increased by £17.6m to a net working capital liability of £45.5m. The decrease is greater than the movement in free cash flow due to decreased trade and other receivables as a result of the loan to the German associate being settled during the period.

Net debt has decreased to £171.4m for the reasons set out in the free cash flow section above. As set out above, there remains a £11.9m of outstanding share buyback obligation which is the remaining amounts committed under the £20m share buyback programme announced in May 2023.

During the period, the German associate, treated as an asset held for sale, was sold for a consideration of £70.6m.

Total equity has increased by £27.8m, to a net liability position of £85.0m, largely due to the profit on disposal of the German associate offset with dividend payments and share buybacks. There are sufficient distributable reserves in the standalone accounts of Domino's Pizza Group plc for the proposed dividend payment and announced share buyback.

### **Treasury management**

The Group holds £400m in debt facilities of which £200m relates to US Private Placement loan notes that mature on 27 July 2027 and £200m relates to an unsecured multi-currency revolving credit facility which has an original term of three years to 27 July 2025 with the option of submitting two extension notices to extend the facility, each by a period of 12 months. The total undrawn facility as at 25 June 2023 was £189.1m.

We ended the period with Net Debt of £171.4m, and last 12 months Net Debt/EBITDA ratio on a continuing basis excluding the impact of IFRS 16 decreased to 1.33x from 1.95x, as a result of increased EBITDA performance in the year and a lower Net Debt level.

# Group income statement

26 weeks ended 25 June 2023

	N o t e	26 weeks ended 25 June 2023 £m			26 weeks ended 26 June 2022 £m			52 weeks ended 25 December 2022 £m		
		Underlying	Non- underlying*	Total	Underlying	Non- underlying*	Total	Underlying	Non- underlying*	Total
Revenue	3	332.9	-	332.9	278.3	-	278.3	600.3	-	600.3
Cost of sales		(179.7)	-	(179.7)	(151.6)	-	(151.6)	(326.8)	-	(326.8)
<b>Gross profit</b>		<b>153.2</b>	-	<b>153.2</b>	<b>126.7</b>	-	<b>126.7</b>	<b>273.5</b>	-	<b>273.5</b>
Distribution costs		(19.0)	-	(19.0)	(18.5)	-	(18.5)	(39.5)	-	(39.5)
Administrative costs		(79.7)	-	(79.7)	(58.5)	-	(58.5)	(131.8)	-	(131.8)
Share of post-tax profits of associates and joint ventures		1.7	-	1.7	4.1	-	4.1	6.6	-	6.6
Other income	1 0	2.3	40.6	42.9	1.0	-	1.0	1.0	-	1.0
<b>Profit before interest and taxation</b>		<b>58.5</b>	<b>40.6</b>	<b>99.1</b>	<b>54.8</b>	-	<b>54.8</b>	<b>109.8</b>	-	<b>109.8</b>
Finance income	5	6.6	-	6.6	6.4	-	6.4	13.1	-	13.1
Finance costs	6	(14.2)	-	(14.2)	(10.3)	-	(10.3)	(24.0)	-	(24.0)
<b>Profit before taxation</b>		<b>50.9</b>	<b>40.6</b>	<b>91.5</b>	<b>50.9</b>	-	<b>50.9</b>	<b>98.9</b>	-	<b>98.9</b>
Taxation	7	(11.3)	-	(11.3)	(8.8)	-	(8.8)	(17.3)	-	(17.3)
<b>Profit for the period</b>		<b>39.6</b>	<b>40.6</b>	<b>80.2</b>	<b>42.1</b>	-	<b>42.1</b>	<b>81.6</b>	-	<b>81.6</b>

\*Non-underlying items are disclosed in note 4.

## Earnings per share

- Basic (pence)	8	9.5	19.3	9.5	9.5	18.8	18.8
- Diluted (pence)	8	9.5	19.2	9.5	9.5	18.7	18.7

# Group statement of comprehensive income

26 weeks ended 25 June 2023

	Note	26 weeks ended 25 June 2023 £m	26 weeks ended 26 June 2022 £m	52 weeks ended 25 December 2022 £m
<b>Profit for the period</b>		<b>80.2</b>	<b>42.1</b>	<b>81.6</b>
<b>Other comprehensive (expense)/income:</b>				
Items that may be subsequently reclassified to profit or loss:				
– Exchange (loss)/gain on retranslation of foreign operations		(0.7)	0.2	1.5
– Transferred to income statement on disposal	13	(2.5)	-	-
Other comprehensive (expense)/income for the period, net of tax		(3.2)	0.2	1.5
<b>Total comprehensive income for the period</b>		<b>77.0</b>	<b>42.3</b>	<b>83.1</b>

# Group balance sheet

At 25 June 2023

	Note	26 weeks ended 25 June 2023 £m	26 weeks ended 26 June 2022 £m	52 weeks ended 25 December 2022 £m
<b>Non-current assets</b>				
Intangible assets	10	29.7	34.5	30.0
Property, plant and equipment	10	96.8	90.4	96.5
Right-of-use assets	11	19.1	20.9	21.3
Lease receivables	11	187.6	184.6	185.6
Trade and other receivables		3.5	13.4	3.4
Investments	15	10.2	11.0	11.3
Investments in associates and joint ventures	12	26.1	55.7	25.4
		<b>373.0</b>	<b>410.5</b>	<b>373.5</b>
<b>Current assets</b>				
Lease receivables	11	15.3	13.6	14.4
Inventories		8.0	8.5	11.6
Assets held for sale		-	-	32.9
Trade and other receivables		42.4	37.4	55.9
Deferred consideration receivable		0.3	1.5	0.3
Current tax assets		2.3	-	1.7
Cash and cash equivalents	19	37.0	40.0	30.4
		<b>105.3</b>	<b>101.0</b>	<b>147.2</b>
<b>Total assets</b>		<b>478.3</b>	<b>511.5</b>	<b>520.7</b>
<b>Current liabilities</b>				
Lease liabilities	11	(20.4)	(19.1)	(20.0)
Trade and other payables		(99.2)	(87.4)	(98.6)
Current tax liabilities		-	(1.3)	-
Provisions		(14.0)	(0.3)	(1.0)
Financial liabilities – share buyback obligation	14	(11.9)	(3.7)	(8.9)
		<b>(145.5)</b>	<b>(111.8)</b>	<b>(128.5)</b>
<b>Non-current liabilities</b>				
Lease liabilities	11	(203.8)	(202.3)	(203.4)
Trade and other payables		(0.2)	(0.3)	(0.2)
Financial liabilities	14	(208.4)	(276.4)	(283.7)
Deferred tax liabilities		(4.1)	(1.5)	(3.4)
Provisions		(1.3)	(14.8)	(14.3)
		<b>(417.8)</b>	<b>(495.3)</b>	<b>(505.0)</b>
<b>Total liabilities</b>		<b>(563.3)</b>	<b>(607.1)</b>	<b>(633.5)</b>
<b>Net liabilities</b>		<b>(85.0)</b>	<b>(95.6)</b>	<b>(112.8)</b>
<b>Shareholders' equity</b>				
Called up share capital		2.2	2.2	2.2
Share premium account		49.6	49.6	49.6
Capital redemption reserve		0.5	0.5	0.5
Capital reserve – own shares		(10.5)	(6.9)	(9.0)
Currency translation reserve		(2.7)	(0.8)	0.5
Accumulated losses		(124.1)	(140.2)	(156.6)
<b>Total equity</b>		<b>(85.0)</b>	<b>(95.6)</b>	<b>(112.8)</b>

# Group statement of changes in equity

26 weeks ended 25 June 2023

	Note	Share capital £m	Share premium account £m	Capital redemption reserve £m	Capital Reserve – own shares £m	Currency translation reserve £m	Accumulated losses £m	Total shareholders' equity £m
<b>At 26 December 2021</b>		<b>2.3</b>	<b>49.6</b>	<b>0.5</b>	<b>(4.6)</b>	<b>(1.0)</b>	<b>(105.4)</b>	<b>(58.6)</b>
Profit for the period		-	-	-	-	-	42.1	42.1
Other comprehensive income								
– exchange differences		-	-	-	-	0.2	-	0.2
<b>Total comprehensive income for the period</b>		-	-	-	-	0.2	42.1	42.3
Proceeds from share issues		-	-	-	1.4	-	-	1.4
Impairment of share issues		-	-	-	1.0	-	(1.0)	-
Share buybacks		(0.1)	-	-	(4.7)	-	(42.6)	(47.4)
Share buyback obligation outstanding		-	-	-	-	-	(3.7)	(3.7)
Share options and LTIP charge		-	-	-	-	-	1.0	1.0
Tax on employee share options		-	-	-	-	-	(0.6)	(0.6)
Equity dividends paid	9	-	-	-	-	-	(30.0)	(30.0)
<b>At 26 June 2022</b>		<b>2.2</b>	<b>49.6</b>	<b>0.5</b>	<b>(6.9)</b>	<b>(0.8)</b>	<b>(140.2)</b>	<b>(95.6)</b>
Profit for the period		-	-	-	-	-	39.5	39.5
Other comprehensive income								
– exchange differences		-	-	-	-	1.3	-	1.3
<b>Total comprehensive income for the period</b>		-	-	-	-	1.3	39.5	40.8
Proceeds from share issues		-	-	-	0.2	-	-	0.2
Impairment of share issues		-	-	-	2.0	-	(2.0)	-
Share buybacks		-	-	-	(4.3)	-	(34.9)	(39.2)
Share buyback obligation satisfied		-	-	-	-	-	3.7	3.7
Share buyback obligations outstanding		-	-	-	-	-	(8.9)	(8.9)
Share options and LTIP charge		-	-	-	-	-	0.2	0.2
Tax on employee share options		-	-	-	-	-	(0.2)	(0.2)
Equity dividends paid	9	-	-	-	-	-	(13.8)	(13.8)
<b>At 25 December 2022</b>		<b>2.2</b>	<b>49.6</b>	<b>0.5</b>	<b>(9.0)</b>	<b>0.5</b>	<b>(156.6)</b>	<b>(112.8)</b>
Profit for the period		-	-	-	-	-	80.2	80.2
Other comprehensive income								
– exchange differences		-	-	-	-	(0.7)	-	(0.7)
– transferred to income statement on disposal		-	-	-	-	(2.5)	-	(2.5)
<b>Total comprehensive income for the period</b>		-	-	-	-	(3.2)	80.2	77.0
Proceeds from share issues		-	-	-	-	-	-	-
Impairment of share issues		-	-	-	0.4	-	(0.4)	-
Share buybacks		-	-	-	(1.9)	-	(17.1)	(19.0)
Share buyback obligation satisfied		-	-	-	-	-	8.9	8.9
Share buyback obligation outstanding		-	-	-	-	-	(11.9)	(11.9)
Share options and LTIP charge		-	-	-	-	-	1.4	1.4
Tax on employee share options		-	-	-	-	-	(0.3)	(0.3)
Equity dividends paid	9	-	-	-	-	-	(28.3)	(28.3)
<b>At 25 June 2023</b>		<b>2.2</b>	<b>49.6</b>	<b>0.5</b>	<b>(10.5)</b>	<b>(2.7)</b>	<b>(124.1)</b>	<b>(85.0)</b>

# Group cash flow statement

26 weeks ended 25 June 2023

	Note	26 weeks ended 25 June 2023 £m	26 weeks ended 26 June 2022* £m	52 weeks ended 25 December 2022* £m
<b>Cash flows from operating activities</b>				
<b>Profit before interest and taxation</b>		99.1	54.8	109.8
Amortisation and depreciation		10.2	8.7	18.7
Impairment		-	-	1.6
Share of post-tax profits of associates and joint ventures	12	(1.7)	(4.1)	(6.6)
Profit on disposal of property, plant and equipment	10	(2.3)	-	-
Profit on disposal of associate	13	(40.6)	-	-
Profit on disposal of subsidiary		-	-	(2.1)
Net gain on financial instruments at fair value through profit or loss		-	(1.0)	(1.0)
Share option and LTIP charge		1.4	1.0	1.2
Decrease in provisions		(0.1)	(0.1)	(0.3)
Decrease/(increase) in inventories		3.6	2.5	(0.6)
Decrease/(increase) in receivables		3.9	(3.8)	(13.3)
Increase/(decrease) in payables		2.7	(9.5)	(3.6)
<b>Cash generated from operations</b>		<b>76.2</b>	<b>48.5</b>	<b>103.8</b>
UK Corporation tax paid		(11.6)	(9.3)	(18.7)
<b>Net cash generated by operating activities</b>		<b>64.6</b>	<b>39.2</b>	<b>85.1</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	10	(6.0)	(2.5)	(10.5)
Purchase of intangible assets	10	(5.3)	(5.0)	(9.2)
Proceeds from sale of property, plant and equipment	10	4.4	-	-
Net consideration received on disposal of associate	13	70.6	-	-
Net consideration (paid)/received on disposal of subsidiary		-	(1.2)	3.7
Consideration received on disposal of joint ventures		-	1.8	3.3
Receipt from other financial assets		-	8.6	8.6
Receipt of principal element on lease receivables		7.5	7.0	14.3
Receipt of interest element on lease receivables		6.1	6.2	12.4
Interest received		0.2	-	0.1
Other	19	11.1	4.7	6.8
<b>Net cash generated by investing activities</b>		<b>88.6</b>	<b>19.6</b>	<b>29.5</b>
<b>Cash inflow before financing</b>		<b>153.2</b>	<b>58.8</b>	<b>114.6</b>
<b>Cash flows from financing activities</b>				
Interest paid		(7.3)	(2.2)	(4.9)
Share purchases	19	(19.0)	(47.2)	(86.5)
Consideration received on exercise of share options – employee benefit trust		-	1.4	1.6
New bank loans and facilities drawn down		28.0	60.0	365.8
Facility arrangement fees		-	-	(3.2)
Repayment of borrowings		(103.2)	(26.7)	(323.4)
Repayment of principal element on lease liabilities		(10.0)	(10.0)	(19.3)
Repayment of interest element on lease liabilities		(6.7)	(7.0)	(13.7)
Equity dividends paid		(28.3)	(30.0)	(43.8)
<b>Net cash used by financing activities</b>		<b>(146.5)</b>	<b>(61.7)</b>	<b>(127.4)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>6.7</b>	<b>(2.9)</b>	<b>(12.8)</b>
Cash and cash equivalents at beginning of period		30.4	42.8	42.8
Foreign exchange (loss)/gain on cash and cash equivalents		(0.1)	0.1	0.4
<b>Cash and cash equivalents at end of period</b>	19	<b>37.0</b>	<b>40.0</b>	<b>30.4</b>

\*The Group has re-presented prior period comparatives. Refer to note 2 for additional information.



# Notes to the interim financial statements

26 weeks ended 25 June 2023

## 1. General information

Domino's Pizza Group plc ('the Company') is a public limited company incorporated in the United Kingdom under the Companies Act 2006 (registration number 03853545). The Company is domiciled in the United Kingdom and its registered address is 1 Thornbury, West Ashland, Milton Keynes, MK6 4BB. The Company's ordinary shares are listed on the Official List of the FCA and traded on the Main Market of the London Stock Exchange. Further copies of the interim report and Annual Report and Accounts may be obtained from the address above.

## 2. Basis of preparation

The condensed consolidated interim financial statements (the 'interim financial statements') have been prepared in accordance with the UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. The financial information contained in this interim report does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

The interim results for the 26 weeks ended 25 June 2023 and the comparatives to 26 June 2022 are unaudited but have been reviewed by the auditors. A copy of their review report has been included at the end of this report.

The financial information for the 52 weeks ended 25 December 2022 has been extracted from the Group financial statements for that period. These published financial statements were reported on by the auditors without qualification or an emphasis of matter reference and did not include a statement under section 498(2) or (3) of the Companies Act 2006 and have been delivered to the Registrar of Companies.

The interim financial information is presented in sterling and all values are rounded to the nearest tenth of million pounds (£0.1m), except when otherwise indicated. The accounting policies are consistent with those of the previous financial year and corresponding interim reporting period, except for the estimation of income tax (see note 7). The financial statements are prepared using the historical cost basis with the exception of the derivative financial assets and contingent consideration which are measured at fair value in accordance with IFRS 13 Fair Value Measurement.

### Re-presentation of comparatives in the Group Cash Flow Statement

For the 26 weeks ended 26 June 2022, the disclosure of share purchases and consideration received on exercise of share options employee benefit trust has been re-presented to reflect separately cash inflows and outflows on share repurchases.

In addition, for the 26 weeks ended 26 June 2022 and the 52 weeks ended 25 December 2022, the disclosure of the repayment on lease liabilities and receipts on lease receivables has been re-presented to reflect separately the principal and interest elements.

### Going concern

The interim financial information has been prepared on the going concern basis. This is considered appropriate, given the financial resources of the Group including the current position of banking facilities, together with long-term contracts with its master franchisor, its franchisees and its key suppliers.

The Directors of the Group have performed an assessment of the overall position and future forecasts (including the 12 month period from the date of this report) for the purpose of going concern. The overall Group has seen strong performance in the first half of 2023 with continued sales growth. Sales growth is primarily driven by increases in food costs which have been passed through to our franchisees. Benefits from sales growth have been partially offset by interest charges incurred on our debt facilities and the increase in the statutory tax rate to 25%.

The Directors of the Group have considered the future position based on current trading and a number of potential downside scenarios which may occur, either through reduced consumer spending, reduced store growth, supply chain disruptions, general economic uncertainty and other risks. This assessment has considered the overall level of Group borrowings and covenant requirements, the flexibility of the Group to react to changing market conditions and ability to appropriately manage any business risks. The Group has a £200m multicurrency syndicated revolving credit facility of which £189.1m is undrawn, as well as £200m private placement loan notes which expire in 2027. The Group has a net debt position of £171.4m. The facility has leverage and interest cover covenants, with which the Group have complied.

The scenarios modelled are based on our current forecast projections out to the end of 2024 and have taken account of the following risks: a downside impact of economic uncertainty and other sales risks over the forecast period, reflected in sales performance, with a c.5% reduction in LFL sales compared to budget; the impact of a reduction of new store openings to half of their forecast level; a further reduction of between 2.5%-3.0% in sales to account for the potential impact of the public health debate; future potential disruptions to supply chain through loss of one of our supply chain centres impacting our ability to supply stores for a period of two weeks; additional costs as a result of increase in utility costs; the impact of a temporary loss of availability of our eCommerce platform during peak trading periods; and a significant unexpected increase in the impact of climate change on our delivery costs. We have also considered a second 'severe but plausible' scenario, which in addition to the above-mentioned risks, also includes the risks of: a disruption to one of our key suppliers impacting our supply chain over a period of four weeks whilst alternate sourcing is secured; and the impact of fines from a potential wider data breach.

In each of the scenarios modelled, there remains significant headroom available on net debt. Under the first scenario there remains sufficient headroom under the covenant requirements of the facilities.

# Notes to the interim financial statements (continued)

26 weeks ended 25 June 2023

## 2. Basis of preparation (continued)

### Going concern (continued)

If all the risks under the first scenario were to occur simultaneously with the additional risks in the second scenario, before any mitigating actions, the Group would breach its leverage covenants. The Board has a mitigating action available in the form of delays in dividends to shareholders and share buybacks which would prevent a breach of leverage covenants.

Based on this assessment, the Directors have formed a judgement that there is a reasonable expectation the Group will have adequate resources to continue in operational existence for the foreseeable future.

### Accounting policies and new standards

The consolidated accounts for the 26 weeks ended 25 June 2023 were prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. The accounting policies applied by the Group are consistent with those disclosed in the Group's Annual Report and Accounts for the 52 weeks ended 25 December 2022, except for the estimation of income tax. There were no new standards and interpretations effective for the first time for the reporting period that have a material impact on the Group financial statements.

### 3. Segmental information

For management purposes, the Group is organised into two geographical business units based on the operating models of the regions: the UK & Ireland operating more mature markets with a franchise model, limited corporate stores and investments held in our franchisees, compared to International which operate predominantly as corporate stores. The International segment includes the German associate, legacy Germany and Switzerland holding companies. These are considered the Group's operating segments as the information provided to the Executive Directors of the Board, who are considered to be the chief operating decision makers, is based on these territories. The chief operating decision makers review the segmental underlying EBIT and EBITDA results and the non-underlying items separately. Revenue included in each segment includes all sales made to franchise stores (royalties, sales to franchisees and rental income) and by corporate stores located in that segment.

Unallocated assets include cash and cash equivalents and taxation assets. Unallocated liabilities include the bank revolving facility and taxation liabilities.

	At 25 June 2023 £m	At 26 June 2022 £m	At 25 December 2022 £m
Current tax assets	2.3	-	1.7
Cash and cash equivalents	37.0	40.0	30.4
<b>Unallocated assets</b>	<b>39.3</b>	<b>40.0</b>	<b>32.1</b>
Current tax liabilities	-	1.3	-
Deferred tax liabilities	4.1	1.5	3.4
Debt facilities	208.4	276.4	283.7
<b>Unallocated liabilities</b>	<b>212.5</b>	<b>279.2</b>	<b>287.1</b>

### Segment assets and liabilities

	26 weeks ended 25 June 2023				26 weeks ended 25 June 2022				52 weeks ended 25 December 2022			
	UK & Ireland £m	International -continuing £m	International -discontinued £m	Total £m	UK & Ireland £m	International -continuing £m	International -discontinued £m	Total £m	UK & Ireland £m	International -continuing £m	International -discontinued £m	Total £m
<b>Segment assets</b>												
Segment current assets	66.0	-	-	66.0	61.0	-	-	61.0	82.2	32.9	-	115.1
Segment non-current assets	336.7	-	-	336.7	343.8	-	-	343.8	336.8	-	-	336.8
Investment in associates and joint ventures	26.1	-	-	26.1	24.9	30.8	-	55.7	25.4	-	-	25.4
Investments	10.2	-	-	10.2	11.0	-	-	11.0	11.3	-	-	11.3
Unallocated assets				39.3				40.0				32.1
<b>Total assets</b>				<b>478.3</b>				<b>511.5</b>				<b>520.7</b>
<b>Segment liabilities</b>												
Liabilities	350.1	-	0.7	350.8	327.1	-	0.8	327.9	346.4	-	-	346.4
Unallocated liabilities				212.5				279.2				287.1
<b>Total liabilities</b>				<b>563.3</b>				<b>607.1</b>				<b>633.5</b>

# Notes to the interim financial statements (continued)

26 weeks ended 25 June 2023

## Segmental performance for the 26 weeks 25 June 2023

	UK & Ireland £m	International £m	Total underlying £m	Non- underlying £m	Total reported £m
<b>Revenue</b>					
Sales to external customers	332.9	-	332.9	-	332.9
<b>Segment revenue</b>	<b>332.9</b>	<b>-</b>	<b>332.9</b>	<b>-</b>	<b>332.9</b>
<b>Results</b>					
Underlying result before associates and joint ventures	56.8	-	56.8	-	56.8
Share of profit of associates and joint ventures	1.7	-	1.7	-	1.7
<b>Segment result</b>	<b>58.5</b>	<b>-</b>	<b>58.5</b>	<b>-</b>	<b>58.5</b>
Other non-underlying items	-	-	-	40.6	<b>40.6</b>
<b>Profit before interest and taxation</b>	<b>58.5</b>	<b>-</b>	<b>58.5</b>	<b>40.6</b>	<b>99.1</b>
Net finance costs	(7.6)	-	(7.6)	-	(7.6)
<b>Profit before taxation</b>	<b>50.9</b>	<b>-</b>	<b>50.9</b>	<b>40.6</b>	<b>91.5</b>
Taxation	(11.3)	-	(11.3)	-	(11.3)
<b>Profit for the year</b>	<b>39.6</b>	<b>-</b>	<b>39.6</b>	<b>40.6</b>	<b>80.2</b>
Effective tax rate	22.2%	-	22.2%	-	12.3%
<b>Other segment information</b>					
Depreciation	5.1	-	5.1	-	5.1
Amortisation	5.1	-	5.1	-	5.1
<b>Total depreciation and amortization</b>	<b>10.2</b>	<b>-</b>	<b>10.2</b>	<b>-</b>	<b>10.2</b>
EBITDA	68.7	-	68.7	40.6	109.3
Underlying EBITDA	68.7	-	68.7	-	68.7
Capital expenditure	11.3	-	11.3	-	11.3
Share-based payment charge	1.4	-	1.4	-	1.4
<b>Revenue disclosures</b>					
Royalties, franchise fees and change of hands fees	40.8	-	40.8	-	40.8
Sales to franchisees	235.7	-	235.7	-	235.7
Corporate store income	16.4	-	16.4	-	16.4
Rental income on leasehold and freehold property	1.1	-	1.1	-	1.1
National Advertising and eCommerce income	38.9	-	38.9	-	38.9
<b>Total segment revenue</b>	<b>332.9</b>	<b>-</b>	<b>332.9</b>	<b>-</b>	<b>332.9</b>

# Notes to the interim financial statements (continued)

26 weeks ended 25 June 2023

## Segmental performance for the 26 weeks ended 26 June 2022

	UK & Ireland £m	International £m	Total underlying £m	Non- underlying £m	Total reported £m
Revenue					
Sales to external customers	278.3	-	278.3	-	278.3
<b>Segment revenue</b>	<b>278.3</b>	<b>-</b>	<b>278.3</b>	<b>-</b>	<b>278.3</b>
Results					
Underlying result before associates and joint ventures	50.7	-	50.7	-	50.7
Share of profit of associates and joint ventures	2.3	1.8	4.1	-	4.1
<b>Segment result</b>	<b>53.0</b>	<b>1.8</b>	<b>54.8</b>	<b>-</b>	<b>54.8</b>
Other non-underlying items	-	-	-	-	-
<b>Profit before interest and taxation</b>	<b>53.0</b>	<b>1.8</b>	<b>54.8</b>	<b>-</b>	<b>54.8</b>
Net finance costs	(3.9)	-	(3.9)	-	(3.9)
<b>Profit before taxation</b>	<b>49.1</b>	<b>1.8</b>	<b>50.9</b>	<b>-</b>	<b>50.9</b>
Taxation	(8.8)	-	(8.8)	-	(8.8)
<b>Profit for the year</b>	<b>40.3</b>	<b>1.8</b>	<b>42.1</b>	<b>-</b>	<b>42.1</b>
Effective tax rate	17.9%	-	17.3%	-	17.3%
<b>Other segment information</b>					
Depreciation – Property, plant and equipment	2.5	-	2.5	-	2.5
Depreciation – Right-of-use assets	3.1	-	3.1	-	3.1
Amortisation	3.1	-	3.1	-	3.1
<b>Total depreciation and amortisation</b>	<b>8.7</b>	<b>-</b>	<b>8.7</b>	<b>-</b>	<b>8.7</b>
EBITDA	61.7	1.8	63.5	-	63.5
Underlying EBITDA	61.7	1.8	63.5	-	63.5
Capital expenditure	7.5	-	7.5	-	7.5
Share-based payment charge	1.0	-	1.0	-	1.0
<b>Revenue disclosures</b>					
Royalties, franchise fees and change of hands fees	37.8	-	37.8	-	37.8
Sales to franchisees	190.7	-	190.7	-	190.7
Corporate store income	17.6	-	17.6	-	17.6
Rental income on leasehold and freehold property	0.3	-	0.3	-	0.3
National Advertising and eCommerce income	31.9	-	31.9	-	31.9
<b>Total segment revenue</b>	<b>278.3</b>	<b>-</b>	<b>278.3</b>	<b>-</b>	<b>278.3</b>

# Notes to the interim financial statements (continued)

26 weeks ended 25 June 2023

## Segmental performance for the 52 weeks ended 25 December 2022

	UK & Ireland £m	International £m	Total underlying £m	Non- underlying £m	Total reported £m
<b>Revenue</b>					
Sales to external customers	600.3	-	600.3	-	600.3
<b>Segment revenue</b>	<b>600.3</b>	<b>-</b>	<b>600.3</b>	<b>-</b>	<b>600.3</b>
<b>Results</b>					
Underlying result before associates and joint ventures	102.2	-	102.2	-	102.2
Revaluation of investment	1.0	-	1.0	-	1.0
Share of profit of associates and joint ventures	4.0	2.6	6.6	-	6.6
<b>Profit before interest and taxation</b>	<b>107.2</b>	<b>2.6</b>	<b>109.8</b>	<b>-</b>	<b>109.8</b>
Net finance costs	(10.9)	-	(10.9)	-	(10.9)
<b>Profit before taxation</b>	<b>96.3</b>	<b>2.6</b>	<b>98.9</b>	<b>-</b>	<b>98.9</b>
Taxation	(17.3)	-	(17.3)	-	(17.3)
<b>Profit for the year</b>	<b>79.0</b>	<b>2.6</b>	<b>81.6</b>	<b>-</b>	<b>81.6</b>
Effective tax rate	18.0%	-	17.5%	-	17.5%
<b>Other segment information</b>					
Depreciation	10.9	-	10.9	-	10.9
Amortisation	7.8	-	7.8	-	7.8
Impairment	1.6	-	1.6	-	1.6
<b>Total depreciation, amortisation and impairment</b>	<b>20.3</b>	<b>-</b>	<b>20.3</b>	<b>-</b>	<b>20.3</b>
EBITDA	127.5	2.6	130.1	-	130.1
Underlying EBITDA	127.5	2.6	130.1	-	130.1
Capital expenditure	19.7	-	19.7	-	19.7
Share-based payment charge	1.2	-	1.2	-	1.2
<b>Revenue disclosures</b>					
Royalties, franchise fees and change of hands fees	78.9	-	78.9	-	78.9
Sales to franchisees	411.4	-	411.4	-	411.4
Corporate store income	36.2	-	36.2	-	36.2
Rental income on leasehold and freehold property	1.6	-	1.6	-	1.6
National Advertising and eCommerce income	72.2	-	72.2	-	72.2
<b>Total segment revenue</b>	<b>600.3</b>	<b>-</b>	<b>600.3</b>	<b>-</b>	<b>600.3</b>

# Notes to the interim financial statements (continued)

26 weeks ended 25 June 2023

## 4. Reconciliation of non-GAAP measures

In 2022, the Group decided to no longer classify items as non-underlying, subject to any material provision reversals or changes which are considered significant enough to consider separate disclosure, such as material profit or loss from business acquisitions or disposals, or material impacts from changes to interpretation of accounting guidelines.

During the period, the Group disposed of its Investment in Daytona JV Limited (refer to note 13), which generated a profit on disposal of £40.6m, which is considered significant enough to require separate disclosure. The profits arising from the disposal have been treated as non-taxable on the basis the disposal falls under the Substantial Shareholding Exemption.

	26 weeks ended 25 June 2023 £m	26 weeks ended 26 June 2022 £m	52 weeks ended 25 December 2022 £m
Underlying profit for the period	39.6	42.1	81.6
Non-underlying profit for the period	40.6	-	-
<b>Profit for the period</b>	<b>80.2</b>	<b>42.1</b>	<b>81.6</b>

## 5. Finance income

	26 weeks ended 25 June 2023 £m	26 weeks ended 26 June 2022 £m	52 weeks ended 25 December 2022 £m
Other interest receivable	0.4	-	0.1
Interest on loans to associates and joint ventures	0.1	0.2	0.3
Interest receivable on leases	6.1	6.2	12.4
Foreign exchange	-	-	0.3
<b>Total finance income</b>	<b>6.6</b>	<b>6.4</b>	<b>13.1</b>

## 6. Finance costs

	26 weeks ended 25 June 2023 £m	26 weeks ended 26 June 2022 £m	52 weeks ended 25 December 2022 £m
Debt facilities interest payable	7.4	3.3	10.3
Interest payable on leases	6.7	7.0	13.7
Foreign exchange	0.1	-	-
<b>Total finance costs</b>	<b>14.2</b>	<b>10.3</b>	<b>24.0</b>

# Notes to the interim financial statements (continued)

26 weeks ended 25 June 2023

## 7. Taxation

### Tax on profit

	26 weeks ended 25 June 2023 £m	26 weeks ended 26 June 2022 £m	52 weeks ended 25 December 2022 £m
<b>Tax charged in the income statement</b>			
Current income tax:			
UK corporation tax:			
– current period	10.5	10.3	16.6
– adjustment in respect of prior periods	(0.3)	0.1	(0.1)
	10.2	10.4	16.5
Income tax on overseas operations	0.6	0.4	0.9
Total current income tax charge	10.8	10.8	17.4
Deferred tax:			
Origination and reversal of temporary differences	0.4	(2.0)	(0.3)
Effect of change in tax rate	-	-	-
Adjustment in respect of prior periods	0.1	-	0.2
Total deferred tax (charge)/credit	0.5	(2.0)	(0.1)
<b>Tax charge in the income statement</b>	<b>11.3</b>	<b>8.8</b>	<b>17.3</b>
The tax charge in the income statement is disclosed as follows:			
Income tax charge	11.3	8.8	17.3
<b>Tax relating to items (charged)/credited to equity</b>			
Reduction in current tax liability as a result of the exercise of share options	(0.1)	(0.1)	0.1
Origination and reversal of temporary differences in relation to unexercised share options	(0.2)	(0.5)	(0.9)
<b>Tax charge in the Group statement of changes in equity</b>	<b>(0.3)</b>	<b>(0.6)</b>	<b>(0.8)</b>

There is no tax impact in relation to the foreign exchange differences in the statement of comprehensive income as the profits arising from the disposal of the Investment in Daytona JV have been treated as non-taxable on the basis the disposal falls under the Substantial Shareholding Exemption. The total effective tax rate is 12.3% (H1 22: 17.3%; FY 22: 17.5%).

Tax charged for the 26 weeks ended 25 June 2023 has been calculated by applying the effective rate of tax per jurisdiction to the underlying profit which is expected to apply to the Group for the period ending 31 December 2023 using rates substantively enacted by 25 June 2023 as required by IAS 34 'Interim Financial Reporting'. Items of an exceptional nature have been assessed independently.

## 8. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the parent by the weighted average number of Ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of Ordinary shares outstanding during the year plus the weighted average number of Ordinary shares that would have been issued on the conversion of all dilutive potential Ordinary shares into Ordinary shares.

### Earnings

	26 weeks ended 25 June 2023 £m	26 weeks ended 26 June 2022 £m	52 weeks ended 25 December 2022 £m
<b>Profit after tax for the period</b>	<b>80.2</b>	<b>42.1</b>	<b>81.6</b>
Non-underlying items	(40.6)	-	-
<b>Underlying profit after tax</b>	<b>39.6</b>	<b>42.1</b>	<b>81.6</b>

# Notes to the interim financial statements (continued)

26 weeks ended 25 June 2023

## 8. Earnings per share (continued)

### Weighted average number of shares

	At 25 June 2023 Number	At 26 June 2022 Number	At 25 December 2022 Number
Basic weighted average number of shares (excluding treasury shares)	414,902,310	441,981,300	434,211,333
Dilutive effect of share options and awards	2,526,493	2,481,473	1,826,246
<b>Diluted weighted average number of shares</b>	<b>417,428,803</b>	<b>444,462,773</b>	<b>436,037,579</b>

The performance conditions relating to share options granted over 278,427 shares (H1 22: 1,455,554; FY 22: 1,040,013) have not been met in the current financial period and therefore the dilutive effect of the number of shares which would have been issued at the period end has not been included in the diluted earnings per share calculation.

There are no share options excluded from the diluted earnings per share calculation because they would be antidilutive (2022: nil).

	26 weeks ended 25 June 2023	26 weeks ended 26 June 2022	52 weeks ended 25 December 2022
<b>Earnings per share</b>			
Basic earnings per share	19.3p	9.5p	18.8p
Diluted earnings per share	19.2p	9.5p	18.7p
<b>Underlying earnings per share</b>			
Basic earnings per share	9.5p	9.5p	18.8p
Diluted earnings per share	9.5p	9.5p	18.7p

## 9. Dividends

	26 weeks ended 25 June 2023 £m	26 weeks ended 26 June 2022 £m	52 weeks ended 25 December 2022 £m
Declared and paid during the period:			
Final dividend for 2022: 6.8p (2021: 6.8p)	28.3	30.0	30.0
Interim dividend for 2022: 3.2p	-	-	13.8
<b>Dividends declared and paid</b>	<b>28.3</b>	<b>30.0</b>	<b>43.8</b>

The Directors have declared an interim dividend of 3.3p per share. This dividend will be paid on 20 September 2023 to those members on the register at the close of business on 11 August 2023.

## 10. Intangible assets and property, plant and equipment

During the 26 weeks ended 25 June 2023, the Group acquired assets with a cost of £9.8m (cash outflow of £11.3m). The Group disposed of freehold property during the period for £4.4m resulting in a profit on disposal of £2.3m.

During the 26 weeks ended 26 June 2022, the Group acquired assets with a cost of £7.4m (cash outflow of £7.5m). There were no material disposals in the period.

As at 25 June 2023, amounts contracted for but not provided for in the financial statements for the acquisition of property, plant and equipment amounted to £0.2m and for intangible assets amount to £1.1m for the Group.



# Notes to the interim financial statements (continued)

26 weeks ended 25 June 2023

## 11. Right-of-use assets, lease receivables and lease liabilities

### Right-of-use assets

	At 25 June 2023 £m	At 26 June 2022 £m	At 25 December 2022 £m
Property	9.7	11.1	10.1
Equipment	9.4	9.8	11.2
	<b>19.1</b>	<b>20.9</b>	<b>21.3</b>

### Amounts recognised in the income statement

	26 weeks ended 25 June 2023 £m	26 weeks ended 26 June 2022 £m	52 weeks ended 25 December 2022 £m
Depreciation – Property	0.4	0.5	1.0
Depreciation – Equipment	2.3	2.6	4.9
	<b>2.7</b>	<b>3.1</b>	<b>5.9</b>

### Lease receivables

	At 25 June 2023 £m	At 26 June 2022 £m	At 25 December 2022 £m
Property	202.9	198.2	200.0
	<b>202.9</b>	<b>198.2</b>	<b>200.0</b>

### Lease liabilities

	At 25 June 2023 £m	At 26 June 2022 £m	At 25 December 2022 £m
Property	214.3	211.4	212.0
Equipment	9.9	10.0	11.4
	<b>224.2</b>	<b>221.4</b>	<b>223.4</b>

## 12. Investment in associates and joint ventures

	At 25 June 2023 £m	At 26 June 2022 £m	At 25 December 2022 £m
Investments in associates	21.5	51.0	20.8
Investments in joint ventures	4.6	4.7	4.6
<b>Total investments in associates and joint ventures</b>	<b>26.1</b>	<b>55.7</b>	<b>25.4</b>

During the period, our Investment in Full House Restaurant Holdings, contributed profits of £1.6m, along with paying a dividend of £1.0m, whilst the Northern Ireland JV contributed profits of £0.1m.

# Notes to the interim financial statements (continued)

26 weeks ended 25 June 2023

## 13. Disposals

### Investment in Daytona JV Limited

In June 2023, the Group disposed of its 33.3% interest in Daytona JV Limited. The Group received £79.9m, of which £70.6m related to the investment in Daytona JV limited and £9.3m related to the repayment of the loan. Included in the cash received on disposal is a £1.8m gain on a forward foreign currency contract that was entered into to provide certainty to the Group over cash flows received on disposal. The profit on disposal is analysed as follows:

	Daytona JV Limited £m
Cash received on disposal	70.6
Carrying amount of investment disposed	(32.4)
Currency translation gain transferred from translation reserve	2.5
<b>Profit on disposal before professional fees</b>	<b>40.7</b>
Professional fees relating to the disposal	(0.1)
<b>Total profit on disposal of investment</b>	<b>40.6</b>

The profits arising from the disposal have been treated as non-taxable on the basis the disposal falls under the Substantial Shareholding Exemption.

### Corporate Stores – Have More Fun (London) Limited

On 30 November 2022, the Group disposed of its 100% interest in Have More Fun (London), which operated in England, with net consideration received from the buyers of £4.9m. The final working capital adjustment is being finalised, and an additional £0.3m is receivable from the purchaser. The profit on disposal of the Group's interest in Have More Fun (London) is analysed as follows:

	Have More Fun (London) Limited £m
Cash received on disposal	5.2
Cash disposed	(0.3)
<b>Net cash received on disposal</b>	<b>4.9</b>
Consideration receivable post disposal	0.3
Net assets disposed excluding cash (see below)	(2.8)
<b>Profit on disposal before professional fees</b>	<b>2.4</b>
Costs associated with disposal	(0.3)
<b>Total profit on disposal</b>	<b>2.1</b>

Property, plant and equipment	0.2
Intangible assets	3.1
Right-of-use assets	1.6
Inventories, trade and other receivable and trade and other payables	(0.2)
Lease liabilities	(1.5)
Deferred tax liabilities	(0.4)
<b>Net assets disposed excluding cash</b>	<b>2.8</b>

# Notes to the interim financial statements (continued)

26 weeks ended 25 June 2023

## 14. Financial liabilities

### *Debt facilities*

As at 25 June 2023 the Group had a total of £400m (H1 22: £350m; FY 22: £400m) of banking facilities, of which £189.1m (H1 22: £73.2m; FY 22: £113.4m) was undrawn.

At 27 July 2022, the Group's £350m multicurrency syndicated revolving credit facility was replaced by a £200m multicurrency revolving credit facility and £200m of US private placement (USPP) loan notes. Arrangement fees of £1.9m and £1.3m were incurred on the RCF and USPP respectively.

### *Bank revolving facility*

The revolving credit facility has an original term of three years to 27 July 2025 with the option of submitting two extension notices to extend the facility twice, each by a period of 12 months. Arrangement fees of £1.5m (H1 22: £0.4m; FY 22: £1.7m) directly incurred in relation to the RCF are included in the carrying values of the facility and are being amortised over the extended term of the facility.

Interest charged on the new revolving credit facility ranges from 1.85% per annum above SONIA (or equivalent) when the Group's leverage is less than 1:1 up to 2.85% per annum above SONIA for leverage above 2.5:1. A further utilisation fee is charged if over one-third is utilised at 0.15% which rises to 0.30% of the outstanding loans if over two-thirds is drawn. In addition, a commitment fee is calculated on undrawn amounts based on 35% of the current applicable margin.

The RCF is secured by an unlimited cross guarantee between Domino's Pizza Group plc, DPG Holdings Limited, Domino's Pizza UK & Ireland Limited, DP Realty Limited, DP Pizza Limited, Sell More Pizza Limited, Sheermans SS Limited and Sheermans Limited.

An ancillary overdraft and pooling arrangement was in place with Barclays Bank Plc for £20.0m covering, Domino's Pizza Group plc, DPG Holdings Limited, Domino's Pizza UK & Ireland Limited, DP Realty Limited, DP Pizza Limited, Sell More Pizza Limited, Sheermans SS Limited and Sheermans Limited. Interest is charged for the overdraft at the same margin as applicable to the revolving credit facility above SONIA.

### *Private placement loan notes*

The US Private Placement notes mature on 27th July 2027 and arrangement fees of £1.1m (FY 22: £1.2m) directly incurred in relation to the USPP are included in the carrying values of the facility and are being amortised over the term of the notes.

Interest charged on the US Private Placement notes is at 4.26% per annum.

### *Share buyback obligation*

On 4 May 2023, the Group entered into an irrevocable non-discretionary programme with Numis Securities Limited to purchase up to a maximum of £20.0m of shares from 5 May 2023. During the period 3,007,441 shares were purchased for consideration of £8.7m (£8.1m cash paid), which includes costs of £0.1m. The remaining share buybacks outstanding as at 25 June 2023 is recognised as a financial liability of £11.9m, which includes £0.6m payable at the end of the period. During the period the Group also concluded the share buyback programme entered into in November 2022 with the purchase of 2,747,637 shares for consideration of £9.0m, which includes £0.1m of costs.

## 15. Financial instruments

### *Investments*

In November 2018, the Group acquired 15% of the issued share capital of Shorecal Limited, a private company registered in the Republic of Ireland that operates Domino's franchise stores in Ireland. The Group's shareholding in Shorecal Limited is in preference shares, acquired for an original cost of investment of €12.2m (£11.0m). As a preference shareholder, the Group has enhanced rights to dividend distributions and enhanced rights over Shorecal Limited's equity value in the event of a liquidation or onward share sale. The Group also has 'drag and tag' rights to participate in an onward share sale arranged by Shorecal Limited's other shareholders.

The investment in Shorecal Limited has been designated as a fair value through profit and loss equity instrument, whereby dividends received by the Group are recorded against the investment with any fair value gains recognised in other income or losses recognised in other expenses. The fair value of the investment is calculated by discounting the future shareholder returns the Group expects to receive from the investment, being proceeds from a liquidation or onward share sale and dividends received up to that point. A probability weighted expected return method has been applied in performing this fair value calculation, whereby multiple future outcomes for Shorecal Limited are simulated with a probability assigned to each scenario.

# Notes to the interim financial statements (continued)

26 weeks ended 25 June 2023

## 15. Financial instruments (continued)

The investment in Shorecal Limited is at Level 3 of the fair value hierarchy because determining its fair value requires a probability weighted estimate of future shareholder returns, which is an unobservable fair value input.

During the period, we received dividends of €0.9m (£0.8m) which have been credited to the investment value, and there has been no fair value movement (H1 22: €1.2m increase (£1.0m); FY 22: €1.1m increase (£1.0m)). This, combined with a foreign exchange decrease of £0.3m, brings the total valuation to €11.9m (£10.2m). The fair valuation has been performed based on current and expected forecast performance of the investment on a probability weighted expected return approach. This considers the potential future performance and potential dividend returns together with assessments of likelihood of various exit arrangements as structured under the shareholder agreement.

The key assumptions in the model are the scenario probabilities applied, the year 1 budget EBITDA and the discount rate applied. The post-tax discount rate applied is 7.96%. Sensitivity analysis has been performed to highlight the impact of movements within the key judgemental areas:

- A 10% decrease in Year 1 EBITDA would lead to a €1.1m (£1.0m) reduction in the valuation.
- A 10% increase in Year 1 EBITDA would lead to a €1.0m (£0.9m) increase in the valuation.
- A 100bps increase in the discount rate would lead to a €0.9m (£0.8m) decrease in the valuation.
- A 100bps decrease in the discount rate would lead to a €0.8m (£0.7m) increase in the valuation.

## 16. Share-based payments

The expense recognised for share-based payments in respect of employee services received during the 26 weeks ended 25 June 2023 was £1.4m (H1 22: £1.0m; FY 22: £1.2m). This all arises on equity-settled share-based payment transactions.

## 17. Related party transactions

During the period the Group entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and trading balances outstanding with related parties, are as follows:

	26 weeks ended 25 June 2023	26 weeks ended 26 June 2022	52 weeks ended 25 December 2022
	£m	£m	£m
<b>Associates and Joint ventures</b>			
Sales to related parties	26.1	16.8	36.5
Amounts owed by related parties	2.4	1.3	1.8
Loans owed by related parties	-	10.1	9.5

## 18. Analysis of Net Debt

	At 25 June 2023	At 26 June 2022	As at 25 December 2022
	£m	£m	£m
Cash and cash equivalents	37.0	40.0	30.4
Debt facilities	(210.9)	(276.8)	(286.6)
Capitalised facility arrangement fees	2.5	0.4	2.9
<b>Net Debt</b>	<b>(171.4)</b>	<b>(236.4)</b>	<b>(253.3)</b>
Of which:			
Continuing operations	(171.4)	(237.1)	(254.3)
Discontinued operations	-	0.7	1.0

The Group's lease liabilities are not included in the Group's definition of Net Debt. Lease liabilities are measured at the present value of future lease payments, including variable lease payments and the exercise price of purchase options where it is reasonably certain that the option will be exercised, discounted using the interest rate implicit in the lease, if readily determinable, or alternatively the Group's incremental borrowing rate as a lessee.

# Notes to the interim financial statements (continued)

26 weeks ended 25 June 2023

## 19. Additional cash flow information

### Other Cash flows from investing activities

	26 weeks ended 25 June 2023 £m	26 weeks ended 26 June 2022 £m	52 weeks ended 25 December 2022 £m
Dividends received from associates and joint ventures	1.0	1.7	2.9
Dividends received from investments	0.8	2.2	2.2
Decrease in loans to associates and joint ventures	9.3	0.8	1.7
	<b>11.1</b>	<b>4.7</b>	<b>6.8</b>

### Share transactions in cash flows from financing activities

	26 weeks ended 25 June 2023 £m	26 weeks ended 26 June 2022 £m	52 weeks ended 25 December 2022 £m
Purchase of own shares – share buyback	(17.1)	(42.5)	(77.5)
Purchase of own shares – employee benefit trust	(1.9)	(4.7)	(9.0)
Consideration received on exercise of share options – employee benefit trust	-	1.4	1.6
	<b>(19.0)</b>	<b>(45.8)</b>	<b>(84.9)</b>

### Reconciliation of free cash flow

	26 weeks ended 25 June 2023 £m	26 weeks ended 26 June 2022 £m	52 weeks ended 25 December 2022 £m
Cash generated from operating activities	64.6	39.2	85.1
Net interest paid	(7.1)	(2.2)	(4.8)
Receipts on lease receivables	13.6	13.2	26.7
Repayment of lease liabilities	(16.7)	(17.0)	(33.0)
Dividends received	1.8	3.8	5.1
Other	-	(0.2)	(0.1)
	<b>56.2</b>	<b>36.8</b>	<b>79.0</b>

### Cash and cash equivalents

	26 weeks ended 25 June 2023 £m	26 weeks ended 26 June 2022 £m	52 weeks ended 25 December 2022 £m
Cash at bank and in hand	37.0	40.0	30.4
<b>Total cash at bank and in hand</b>	<b>37.0</b>	<b>40.0</b>	<b>30.4</b>

### Reconciliation of financing activities

	At 25 December 2022 £m	Net cash flow £m	Exchange differences £m	Non-cash movements £m	At 25 June 2023 £m
Debt facilities	(283.7)	75.2	0.4	(0.3)	(208.4)
Lease liabilities	(223.4)	16.7	(0.4)	(17.1)	(224.2)
	<b>(507.1)</b>	<b>91.9</b>	<b>-</b>	<b>(17.4)</b>	<b>(432.6)</b>

# Notes to the interim financial statements (continued)

26 weeks ended 25 June 2023

## 19. Additional cash flow information (continued)

### Reconciliation of financing activities (continued)

	At 26 December 2021 £m	Net cash flow £m	Exchange differences £m	Non-cash movements £m	At 26 June 2022 £m
Debt facilities	(242.5)	(33.3)	(0.2)	(0.4)	(276.4)
Lease liabilities	(222.6)	17.0	(0.2)	(15.6)	(221.4)
	<b>(465.1)</b>	<b>(16.3)</b>	<b>(0.4)</b>	<b>(16.0)</b>	<b>(497.8)</b>

	At 26 December 2021 £m	Net cash flow £m	Exchange differences £m	Non-cash movements £m	At 25 December 2022 £m
Debt facilities	(242.5)	(39.3)	(0.8)	(1.1)	(283.7)
Lease liabilities	(222.6)	33.0	(0.5)	(33.3)	(223.4)
	<b>(465.1)</b>	<b>(6.3)</b>	<b>(1.3)</b>	<b>(34.4)</b>	<b>(507.1)</b>

## 20. Post balance sheet events

There were no significant events affecting the Group's business since the balance sheet date.

## 21. Principal risks and uncertainties

Details of the principal risks and uncertainties facing the Group, with the potential to materially impact the successful delivery of our strategy, were set out on pages 55 to 60 of the Domino's Pizza Group plc Annual Report and Accounts 2022. These risks are summarised as follows: competitive pressures; franchisee relationships; supply chain disruption (to either a key supplier or at one of our SCCs); food safety; eCommerce and mobile platform availability; loss of personal and corporate data; climate change; public health debate; and people-related risks. The Executive Risk Committee has continued to support an effective risk monitoring process and has considered both the principal and any emerging risks and uncertainties during the first 26 weeks of 2023.

The Directors believe that the principal risks being faced over the remainder of the financial year are not substantially different to those disclosed in the 2022 Annual Report, where we also highlighted four specific short-term challenges: global uncertainties arising from the military conflict in Ukraine, leading to specific challenges over the availability of cereal grains and oilseed products; a general risk of food commodity price inflation; labour availability; and consequences on consumer behaviour resulting from a reduction in discretionary income due to cost-of-living increases.

We have successfully managed the availability of cereal grains and oilseed products over the period and at the half-year end we were able to offer 99.9% food availability. However, we continue to recognise the uncertainty relating to the conflict in Ukraine and are continuing to develop greater dual sourcing for critical ingredients to provide greater resilience in the future. We have experienced greater stability in pricing in the first half of 2023; have maximised price certainty for all relevant food categories for the remainder of 2023; and have further advanced forward buying for 2024, however we continue to remain vigilant on food price inflation.

The impact of shortages in available labour at both our Support Office and SCCs has become less acute as relevant labour markets have stabilised; and as a result of hybrid working we have greater access to talent in digital, marketing and technology in a wider set of locations. We have also delivered centrally two very successful national recruitment campaigns for the wider system, which has helped to manage specific challenges over the recruitment of store managers and delivery drivers, where competition has been greatest. Whilst these measures continue to mitigate the risk around labour availability where possible, this remains a short-term challenge we continue to monitor.

Whilst there are some signs of improved consumer confidence alongside greater stability in utilities costs, interest rates have continued to rise in the first half of 2023 and the impact on consumer behaviour continues to be closely monitored by the business.

# Alternative Performance Measures and Glossary

The performance of the Group is assessed using a number of Alternative Performance Measures ('APMs'). The Group's results are presented both before and after non-underlying items. Underlying profitability measures are presented excluding non-underlying items as we believe this provides both management and investors with useful additional information about the Group's performance and aids a more effective comparison of the Group's trading performance from one period to the next and with similar businesses. Underlying profitability measures are reconciled to unadjusted IFRS results on the face of the income statement with details of non-underlying items provided in note 4.

In addition, the Group's results are described using certain other measures that are not defined under IFRS and are therefore considered to be APMs. These measures are used by management to monitor on-going business performance against both shorter term budgets and forecast but also against the Group's longer term strategic plans. The definition of each APM presented in this report and, also, where a reconciliation to the nearest measure prepared in accordance with IFRS can be found is shown below:

Item	Definition	Location of reconciliation to GAAP measure
<b>Overall terminology</b>		
Non-underlying items	Items that are material in size, unusual or infrequent in nature or discontinued operations and are disclosed separately as non-underlying items in the notes to the accounts.	Group income statement, note 4
<b>Profit measures</b>		
Group operating profit before tax excluding non-underlying items	Group operating profit before tax excluding non-underlying items	Group income statement, note 3
Net interest before non-underlying items	Group finance costs excluding non-underlying items	Group income statement, note 3
Underlying profit before taxation	Group profit before tax excluding non-underlying items	Group income statement, note 3
Underlying profit for the period	Group profit after taxation excluding non-underlying items	Group income statement
Earnings before Interest and Tax (EBIT)	EBIT is directly comparable to underlying operating profit	Not applicable
Non-underlying items	Items that are material in size, unusual or infrequent in nature, and are disclosed separately as non-underlying items in the notes to the accounts.	Group income statement, note 4
Underlying basic EPS	Group EPS excluding non-underlying items	Note 8
Last 12 months (LTM) EBITDA	LTM EBITDA for the period from 27 June 2022 to 25 June 2023 based on underlying activities including share of profits from associates and joint ventures.	Not applicable
<b>Revenue measures</b>		
System sales	System sales represent the sum of all sales made by both franchised and corporate stores to consumers.	Not applicable
Like-for-like (LFL) sales growth excluding splits	LFL sales performance is calculated against a comparable 26 week period in the prior year for mature stores opened which were not in territories split in the year or comparable period. Mature stores are defined as those open prior to 26 <sup>th</sup> December 2021.	Not applicable
Like-for-like (LFL) sales growth including splits	LFL sales including splits performance is calculated based on mature store growth and includes the impact in like for like results of those stores which have been impacted by donating territory to a new store.	Not applicable
Like-for-Like (LFL) system sales growth (excluding splits & VAT)	Like-for-like excluding splits and VAT system sales performance also includes the impact of changes in the VAT applied on hot takeaway food where the VAT inclusive price to customers did not change. The VAT rate in the UK decreased from 20% to 5% on 15 July 2020, increased to 12.5% on 1 October 2021 and reverted back to 20% on 1 April 2022. System sales are consistently reported on an exclusive of VAT basis. However, where the inclusive of VAT price of an order remained the same on a total basis to the customer, over the reduced VAT period the exclusive of VAT price reported in system sales increased. This leads to an increase in system sales from 15 July 2020 through to 31 September 2021 when the VAT rate reduced from 20% to 5%. From 1 October 2021, the rate increased from 5% to 12.5%. Where the inclusive of VAT price of an order remained the same on a total basis, this leads to a decrease	Not applicable

in system sales compared to the period from 15 July 2020 and an increase in system sales compared to the period before 15 July 2020. With the increase in VAT from 1 April 2022 back up to 20%, where the inclusive of VAT price remained the same to the consumer, there has been a negative impact on system sales compared to the period from 15 July 2020 – 31 September 2021 and 1 October 21 – 31 March 2022, as the exclusive of VAT price of an order decreased.

As an example, for an order where the inclusive of VAT price is £27:

- From 15 July 2020 to 31 September 2021, during the period where VAT was 5%, the reported system sale would be £25.71
- From 1 October 2021 to 31 March 2022, during the period where VAT was 12.5%, the reported system sale would be £24.00
- From 1 April 2022 onwards, where the VAT rate is 20%, the reported system sale would be £22.50

In Ireland, the VAT rate for hot takeaway food reduced from 13.5% to 9% on 1 November 2020 and remains in place.

The system sales figures adjusted for VAT removes the impact on system sales of the lower VAT rates in the comparative periods to provide comparability. This is performed through adjusting the comparative figures over the reduced VAT period back to an equivalent system sales amount based on a 20% VAT rate where applicable. Group revenue is not significantly impacted by the change in the VAT rate as the aforementioned benefit only arose on hot takeaway food, and therefore only impacts the sales on the corporate stores revenue within overall Group revenue.

#### Cash flow measures

Net Debt	Group cash less bank revolving credit facility and other	Note 18
Free cash flow	Free cash flow comprises cash generated from operations less dividends received, net interest cash flows and corporation tax. Free cash flow before non-underlying cash items represents the free cash flow before the inclusion of the cash impact of items recognised as non-underlying.	Not applicable

#### Other non-financial definitions

Item	Definition
<b>AWUS</b>	Average Weekly Unit Sales
<b>ASPA</b>	Average Sales Per Address
<b>eCommerce fund</b>	The fund used to recharge costs for the development and maintenance of our eCommerce platform with franchisees
<b>German associate</b>	Represents our 33% associate investment in the trading operations of Domino's Pizza Germany (also referred to as Daytona JV) that was disposed of in the period.
<b>HFSS</b>	High fat, salt, or sugar
<b>International</b>	Represents our former businesses in Norway, Sweden, Iceland, and Switzerland as well as our share of the German associate.
<b>London corporate stores</b>	Relates to the corporate stores held following the acquisition of Sell More Pizza Limited and subsequent corporate store openings and closures
<b>NAF</b>	National Advertising Fund
<b>NI JV</b>	Represents our 46% associate investment in the trading of operations of Victa DP Ltd (also referred to as Northern Ireland JV).
<b>Shorecal</b>	Represents our 15% interest in the trading operations of Shorecal Limited, a franchisee group which operates stores in the Republic of Ireland and Northern Ireland.



# Responsibility statement

Each of the Directors, whose names and functions appear below, confirm to the best of their knowledge that the condensed consolidated interim financial statements have been prepared in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the UK and that the interim management report herein includes a fair review of the information required by the Disclosure and Transparency Rules (DTR"), namely:

- DTR 4.2.7 (R): an indication of important events that have occurred during the 26 week period ended 25 June 2023 and their impact on the condensed consolidated interim financial statements; and a description of the principal risks and uncertainties for the remaining 26 weeks of the financial year; and
- DTR 4.2.8 (R): any related party transactions that have taken place in the 26 week period ended 25 June 2023 that have materially affected the financial position or performance of the enterprise during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

The Directors of Domino's Pizza Group plc as at the date of this announcement are as set out below:

Matthew Shattock\*, Chairman  
Ian Bull\*, Senior Independent Director  
Elias Diaz Sese, Chief Executive Officer (interim)  
Edward Jamieson, Chief Financial Officer  
Natalia Barsegiyan\*  
Tracy Corrigan\*  
Stella David\*  
Lynn Fordham\*  
Usman Nabi\*

\*Non-executive Directors

A list of the current Directors is maintained on the Domino's Pizza Group plc website at: [corporate.dominos.co.uk](http://corporate.dominos.co.uk).

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from the legislation in other jurisdictions.

This responsibility statement was approved by the Board of Directors on 31 July 2023 and is signed on its behalf by Elias Diaz Sese, Chief Executive Officer (interim).

By order of the Board

Elias Diaz Sese  
Chief Executive Officer (interim)

31 July 2023

# Independent review report to Domino's Pizza Group Plc

## Report on the condensed consolidated interim financial statements

### ***Our conclusion***

We have reviewed Domino's Pizza Group Plc's condensed consolidated interim financial statements (the "interim financial statements") in the interim report of Domino's Pizza Group Plc for the 26 week period ended 25 June 2023 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Group balance sheet as at 25 June 2023;
- the Group income statement and Group statement of comprehensive income for the period then ended;
- the Group cash flow statement for the period then ended;
- the Group statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim report of Domino's Pizza Group Plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

### ***Basis for conclusion***

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

### ***Conclusions relating to going concern***

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

### ***Responsibilities for the interim financial statements and the review***

#### ***Our responsibilities and those of the directors***

The interim report, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the interim report, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the interim report based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

Chartered Accountants  
Birmingham  
31 July 2023