

12 March 2024

LEI: 213800Q6ZKHAOV48JL75

This announcement contains Inside Informationcomp

Domino's Pizza Group Plc

Acquiring full control of Shorecal to meaningfully accelerate growth in Ireland

Domino's Pizza Group plc ("DPG" or the "Company") is pleased to announce that it has signed a binding sale and purchase agreement to acquire the remaining 85% shareholding it does not already own in Shorecal Limited, the largest Domino's franchise business operating in the Republic of Ireland and Northern Ireland ("Shorecal"), from Charles Caldwell, Adrian & Anne Caldwell (collectively, the "Caldwells"), and SC Holdings I Ltd, an investment vehicle controlled by Radcliff Management in partnership with the Bronfman Family Office LLC, (the "Sellers"), for a total consideration of €72m (approximately £62m) (the "Consideration"), subject to completion adjustments. DPG will also repay the outstanding debt on completion, currently €19.9m (approximately £17.3m) (the "Transaction").

Shorecal is a leading Domino's franchisee on the island of Ireland, operating 34 of the 99 Domino's stores across the Republic of Ireland and Northern Ireland.

Following DPG's recently announced growth framework, the Company has been working at pace to execute against its intention to review its corporate store estate and joint ventures. Against this backdrop, and DPG's recent investment in its Irish supply chain centre, the Transaction provides a unique opportunity for DPG to accelerate Shorecal's growth, materially increase the store count, and leverage the capacity in the new supply chain centre, continuing to provide great tasting products and service to our customers. Shorecal's existing management will remain in role to accelerate the growth, supported by the experienced, and recently expanded, DPG team.

At completion, 61% of the Consideration will be payable to the Sellers in cash, with the remaining 39% to be satisfied by an issuance of shares in the Company (the "Consideration Shares") to the Sellers. The number of Consideration Shares to be issued will be based on the VWAP of the Company's shares for the trailing 3-month period. A subsidiary of the Company already owns a 15% shareholding in Shorecal, and therefore, the Transaction will result in DPG acquiring a 100% shareholding in Shorecal. The Transaction is at an attractive multiple of 8x EBITDA and is expected to be earnings accretive in the first full year of ownership and significantly accretive in the long-term.

The Transaction is subject to competition approval in the Republic of Ireland and is expected to complete by 31 May 2024.

As noted in the Shorecal's 2022 Annual Report, the book value of Shorecal's gross assets as at 25 December 2022 were €54.3m, with Shorecal recognising a profit before tax of €8.7m in FY 2023.

Andrew Rennie, DPG Chief Executive Officer, said:

"I'm delighted that we have been able to move quickly on the first part of the growth plan we set out in December and agree terms to acquire the remaining shares in Shorecal. We believe there is a significant opportunity for us in Ireland and we are now in an even stronger position to accelerate our growth, open new stores, and provide great service and great tasting products to our customers."

"I would like to personally thank Charles and Adrian Caldwell for all they have done to build the Domino's brand in the Republic of Ireland and Northern Ireland."

"Our asset-light and highly cash generative operating model enables us to invest to drive growth, both in our core UK & Ireland business and also in additional growth opportunities. We are committed to an asset-light business model and our strategy will centre on acquiring, strengthening and then ultimately redistributing stores in the estate. A core part of our capital allocation framework is the efficient deployment of capital and we are actively assessing our corporate store estate and joint ventures at pace to drive shareholder value."

Charles Caldwell of Shorecal said:

“Adrian and I are proud to have grown Shorecal over the years to create a strong business, delivering great products to customers across Ireland. We are delighted that DPG and the Shorecal team led by George Bertram, CEO, will take the business forward and continue delivering outstanding service to our customers.”

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 and was authorised for release by Adrian Bushnell, Company Secretary.

For further information, please contact:

Domino's Pizza Group plc:

Will MacLaren, Head of Investor Relations
07443 192 118

Brunswick:

Tim Danaher, Abbie Sampson
020 7404 5959

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.