



LEI: 213800Q6ZKHAOV48JL75
17 October 2019

This announcement contains inside information

DOMINO'S PIZZA GROUP PLC
Q3 Trading Statement

Solid performance in UK & Ireland; decision taken to exit International

	13 weeks to 29 September 2019	13 weeks to 30 September 2018	Change % reported	Change % organic ¹
Group system sales (£m)	£313.5m	£303.3m	3.4%	3.5%
UK & ROI system sales (£m)	£288.2m	£277.3m	3.9%	3.8%
- UK LFL (exc. splits) sales growth	3.0%	2.2%		
- ROI LFL (exc. splits) sales growth	(0.7%)	3.3%		
International system sales (£m)	£25.3m	£26.0m	(2.7%)	0.0%

Q3 highlights:

- Group system sales up 3.4%
- Solid UK & ROI performance; system sales growth 3.9%
 - UK system sales up 3.9%; LFL sales excluding splits up 3.0% (1.4% including splits)
 - ROI system sales up 2.4% in local currency; LFL sales excluding splits down 0.7% (down 1.7% including splits; both local currency)
- 12 stores opened in UK & ROI in Q3 (UK: 9; ROI: 3)
- UK online sales up 7.2% and ROI online sales up 9.9%. Online now accounts for 90.9% of delivery sales
- International: Review of International markets concluded; the Board has decided to exit the markets in an orderly manner
- Elias Diaz Sese, previously Northern Europe Managing Director at Kraft Heinz, appointed as additional non-executive director
- The search process for the new CEO continues and the process for the new Chair, led by Ian Bull, has commenced, with recruiters appointed. The Board intends that both processes are progressed as quickly as possible

David Wild, Chief Executive Officer, said:

“We delivered a solid performance in our core UK and Ireland markets, with system sales up 3.9%, against a market backdrop that remains challenging. Normal working practices continue to be impacted by our franchisee dispute. As we said at our interim results, this situation is complex and we

expect a resolution to take time, certainly into 2020. We remain committed to working with our franchisees to agree sustainable win-win solutions.

“We are investing in people and processes to enable us to better support our franchisees. A key hire for our business is Emily Somers, who joined us as Chief Marketing Officer in August, and I am delighted to have her as part of the team.

“Although the financial results have stabilised, the performance of our international business remains disappointing. Over the past six weeks we have completed a review with external consultants, assessing each of our four international markets and the future prospects for our businesses. We have concluded that, whilst they represent attractive markets, we are not the best owners of these businesses. The Board has therefore decided to exit the markets in an orderly manner.”

¹ Organic growth represents year-on-year performance on a constant currency basis and excluding the impact of acquisitions or disposals.

UK & ROI

In both the UK and ROI the market environment remains challenging and the consumer backdrop subdued. UK and ROI system sales were up 3.9%. UK system sales were also up 3.9%, with the UK accounting for 94% of UK and ROI system sales overall. UK like-for-like growth, excluding stores in split territories, was 3.0%, and 1.4% including stores in split territories. ROI system sales were up 2.4% in local currency and 3.8% on a reported basis. ROI Like-for-like sales, in constant currency, excluding stores in split territories, were down 0.7%, and down 1.7% including stores in split territories.

Nine new stores opened in the UK during Q3, of which one was corporate and eight were franchised, by eight different franchisees. Three new stores were opened in ROI. For the 39 weeks to 29th September, there have been 16 stores opened in the UK, one planned closure in the UK and four stores opened in ROI. In total the store estate at the end of Q3 was 1,172 (UK: 1,118, ROI: 54).

Online sales growth continued to be very strong at 7.2% for the UK and 9.9% for ROI. In the UK, online accounts for 90.9% of delivery sales and 80.8% of total sales.

On an ‘including splits’ basis, UK like-for-like orders were down 0.5%, items per order were down 2.4%, product mix impact was up 2.5% and price was up 1.8%. Total UK orders were 15.7m, up 2.2% on Q3 last year, an improving trend on the first half. Year to date UK orders were 48.0m, up 0.9% year on year.

International

Although the financial results have stabilised, International system sales continue to be disappointing, and were flat year on year in local currency and down 2.7% on a reported basis in Q3.

In Switzerland, local currency system sales were down 2.9%, with like-for-like sales down 6.6%. The like-for-like sales decline was driven by a combination of both ticket and order count. We opened one store in Switzerland in Q3, in Zurich.

In Iceland, local currency system sales growth was down 1.0%, with like-for-like sales down 8.2%, impacted by a weak market overall and a decline in tourism. There was one planned store closure in Iceland in Q3.

In Norway, we have a total of 57 stores (Q3 FY18: 50 stores). This is made up of 10 Dolly Dimple's stores (Q3 FY18: 12 stores) and 47 Domino's stores (Q3 FY18: 38 stores). Total system sales in Norway were down 0.3% in local currency. Local currency system sales growth in Domino's branded stores was up 7.6%, driven by the nine store openings and conversions year on year. Like-for-like sales in Domino's branded stores declined by 16.5%. During the quarter we implemented the turnaround plan in Norway, however early signs have been mixed and sales uplifts weaker than anticipated.

In Sweden, sales were up 25.0% in local currency, with like-for-like sales up 1.0%. We opened three of the six Gothenburg stores scheduled to open in the second half. The early performance of the Gothenburg stores has been strong, with AWUS significantly ahead of our Malmo stores.

The trading performance of our German associate was encouraging.

Analyst Conference call

There will be a conference call for investors and analysts at 8.30am today, hosted by David Wild, CEO, and David Bauernfeind, CFO.

Participant dial-in: UK: 020 3936 2999
 All other locations: +44 20 3936 2999
 Access code: 748687

A transcript of the call will be available online in due course.

A recording of the call will be available until 24th October 2019.

Replay dial-in: UK: 020 3936 3001
 All other locations: +44 20 3936 3001
 Access code: 941161

The person responsible for making this notification is David Bauernfeind, Chief Financial Officer.

For further information, please contact:

Domino's Pizza Group plc:

Bethany Barnes, Head of Investor Relations
07387 015695

Brunswick:

Tim Danaher, Samantha Chiene
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, the Republic of Ireland, Switzerland and Liechtenstein. In addition, we have a controlling stake in the holders of the Domino's master franchise agreements in Iceland, Norway and Sweden, as well as associate investments in Germany and Luxembourg.