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**wagamama**

Investor Presentation



18 June 2020  
Quarter 1 2020

## Disclaimer

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### Forward-looking statements

This presentation includes forward-looking statements. All statements other than statements of historical facts included in this presentation, including those regarding the group's financial position, business and acquisition strategy, plans and objectives of management for future operations are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

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The quarterly financial results presented in this presentation include calculations or figures that have been prepared internally by management and have not been reviewed or audited by our independent chartered accounting firm. This financial data should not be viewed as a substitute for full financial statements prepared in accordance with FRS 102 and is not necessarily indicative of the results to be achieved for any future periods.

### Use of non-FRS 102 financial information

This document contains references to certain non-FRS 102 financial measures. For definitions of terms such as "ebit", "ebitda", "ebitda margin", "adjusted ebitda or adj. ebitda", "adjusted or adj. ebitda margin", "new site capital expenditures", "maintenance capital expenditures", "other capital expenditures", "total capital expenditures" and "like-for-like sales growth" and a detailed reconciliation between the non-FRS 102 financial results presented in this document and the corresponding FRS 102 measures, please refer to appendix B and footnotes shown throughout. Certain financial and other information presented in this document has not been audited or reviewed by our independent auditors.

Certain numerical, financial data, other amounts and percentages in this document may not sum due to rounding. In addition, certain figures in this document have been rounded to the nearest whole number.

## Overview

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1. Strong UK LFL pre Covid-19: continued market outperformance
2. Sales and EBITDA growth in first 8 weeks of Q1 2020<sup>1</sup>
3. Proactive plan to manage and mitigate risk through Covid-19
4. Successful re-opening of delivery business with safety of our teams and customers at the forefront





**Strong UK LFL pre  
Covid-19: continued  
market outperformance**

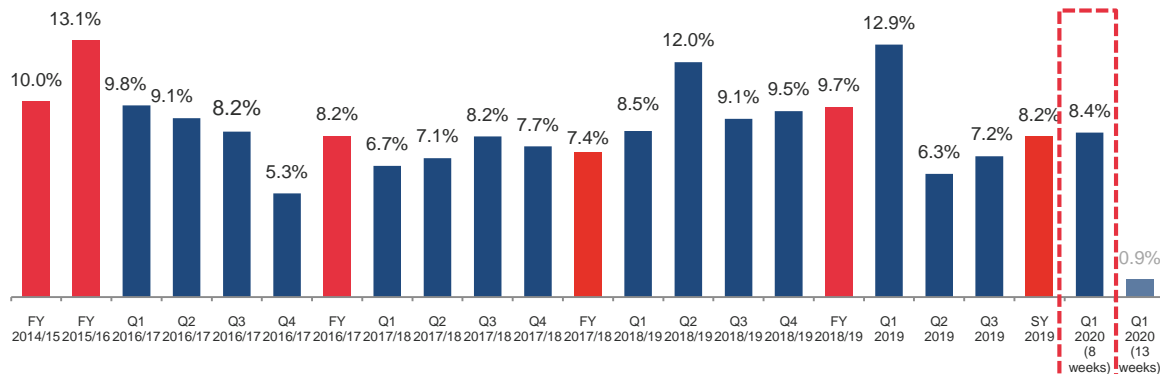
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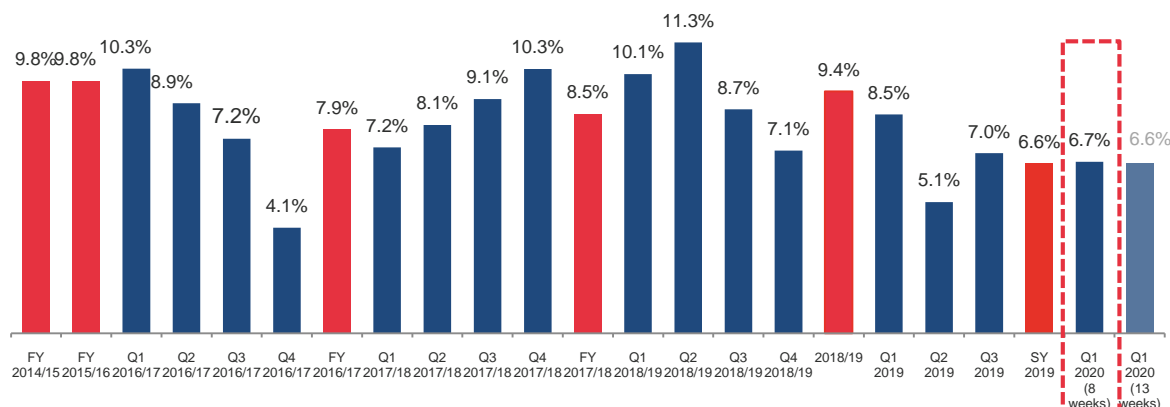
## Strong UK LFL pre Covid-19: continued market outperformance: 8.4% UK LFL in first 8 weeks of Q1 2020

### UK LFL<sup>1</sup> growth (%)



- Strong LFL performance in the first 8 weeks of the Quarter at 8.4%, outperforming our peer group by 6.7%. Included some challenging weeks as the UK experienced major storms.
- Final 5 weeks of the period (March 2020) impacted by slower trading with emergence of Covid-19 in the UK, ultimately resulting in closure of all restaurants in the final week of the Quarter. Full quarter UK LFL at 0.9%.

### Level of UK market outperformance<sup>2</sup>



<sup>1</sup> Like for like sales growth defined as sales from our restaurants which traded for at least 65 weeks

<sup>2</sup> wagamama actual UK LFL sales growth % versus peer group restaurants reported sales growth %

Source: Peer group data from Coffey Peach business tracker which monitors sales performance across the following major restaurant operators: Azzurri Restaurants (Zizzi, ASK), Banana Tree Restaurants, Bills, Buzzworks Holdings Group, Byron, Carluccio's Restaurants Ltd, Casual Dining Group (Café Rouge, Bella Italia, Las Iguanas, La Tasca), City District Enterprise, Gaucho, Giraffe Restaurants Group, Giggling Squid, Greene King, Gusto, Honest Burgers, Le Bistrot Pierre, Le Pain Quotidien, Mitchells & Butlers (Browns, Miller & Carter), Mowgli, Pizza Express, Pizza Hut, Prezzo, The Restaurant Group (Chiquito, Frankie & Benny's, Coast to Coast, Garfunkel's), Rosas, TGI Friday's, Various Eateries Ltd, Wagamama, Yo! Sushi.

<sup>3</sup> Short year 2019 references the 35 weeks to 29 December 2019



**Sales and EBITDA  
growth in first 8 weeks  
of Q1 2020**

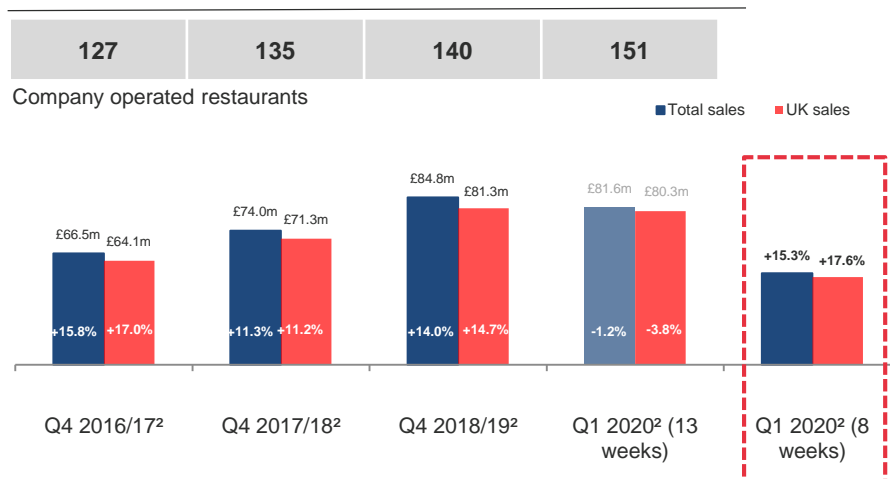
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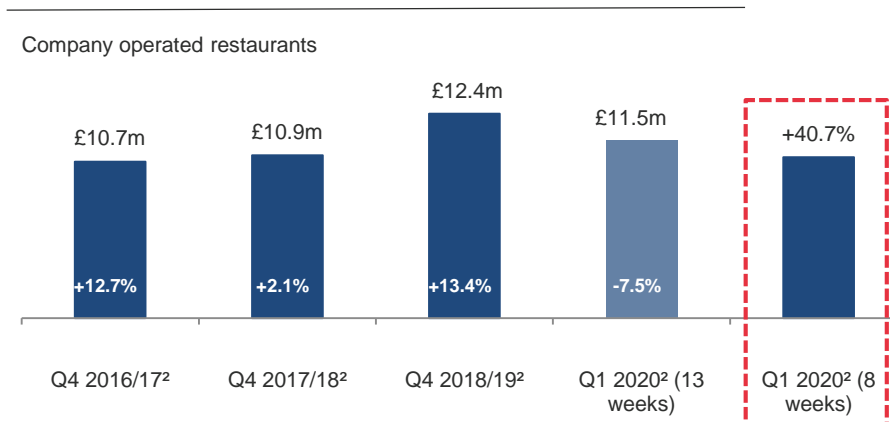
## Sales and EBITDA growth in first 8 weeks of Q1 2020: Covid-19 impacting final weeks of quarter

### Group total sales<sup>1</sup> (£m) and growth (%) – Q1



- UK sales growth of 17.6% in first 8 weeks of Q1 2020 driven by both LFL growth and an additional 11 company operated restaurants, 4 delivery only sites and 1 mamago site within the group portfolio in Q1 2020 compared to Q4 2018/19
- US joint venture arrangement became effective as of 31 January 2020, US restaurant sales are excluded from group total sales from this point (6 restaurants including Midtown which opened during Q1 2020)
- Final weeks of Q1 impacted by Covid-19 with slower trading and ultimately closure of all restaurants

### Group total EBITDA<sup>1</sup> (£m) and growth (%) – Q1



- Group adjusted EBITDA growth of +40.7% in first 8 weeks of Q1 2020 driven by:
  - Strong profit conversion from sales growth
  - Continuing impact of investment made in people, product and property
  - Strong operational discipline in managing cost challenges, together with the benefit of synergies achieved as part of the wider TRG group
- Final weeks of Quarter impacted by Covid-19 with significant decline in sales dropping through to EBITDA



**Proactive plan to  
manage and mitigate  
risk during Covid-19**

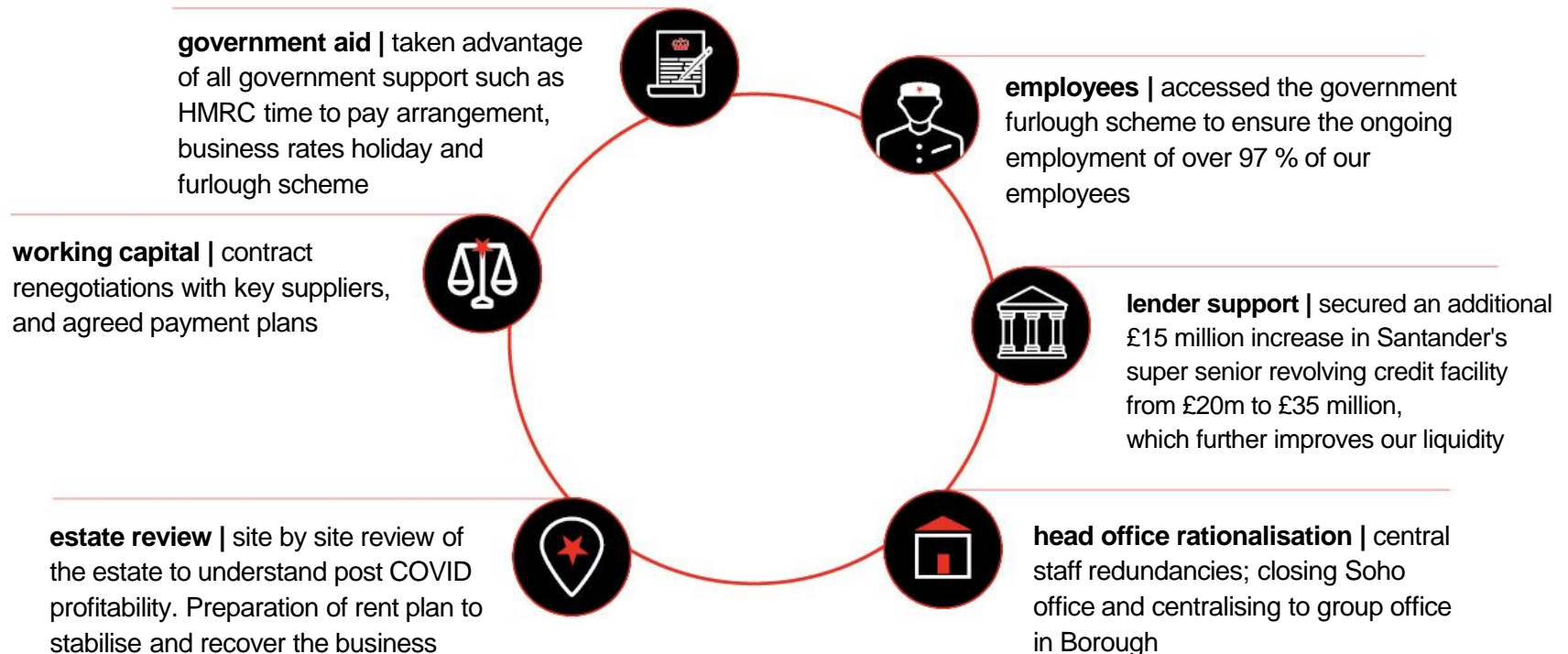
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## Proactive plan to manage and mitigate risk during Covid-19: (1) securing cost base & liquidity



## Proactive plan to manage and mitigate risk during Covid-19: (2) staying engaged with our customers, community and people

### Engaging with our customers

- Staying connected with our customers via social media
- Our “wok from home” series hosted by exec chef Steve Mangleshot has achieved over 3 million views to date



wok from home episode #8 | chilli chicken ramen

### And our communities



- Supporting the NHS with over 1,000 katsu curries delivered to the incredible staff at King's College Hospital and our restaurants providing ongoing support to NHS workers locally
- Partnership with UK charity Foodcycle to support families in the pipeline

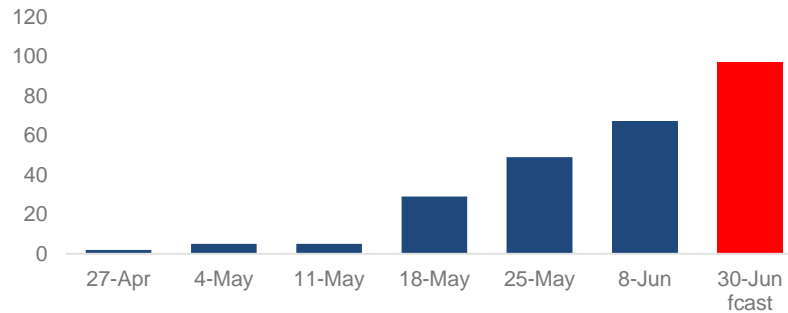
### Supporting our people

- UK government furlough scheme allowing us to retain and financially support our people
- Staying engaged with our people through regular business updates via our employee app and team updates
- 'Kaizen 30' challenge, encouraging our team members to keep active and healthy with a series of weekly workouts and recipes



## Proactive plan to manage and mitigate risk during Covid-19: (3) re-opening our delivery business with the safety of our teams and customers at the forefront

Number of restaurants open for delivery sales



- Phased re-opening of operations with 81 restaurants now trading, significant uplift on comparable sales pre Covid-19
- Launch of 'click and collect', allowing customers to pre-order and select a collection time
- Encouraging sales performance and well controlled costs
- International business performing well for delivery with certain markets now opening for eat in with social distancing measures in place

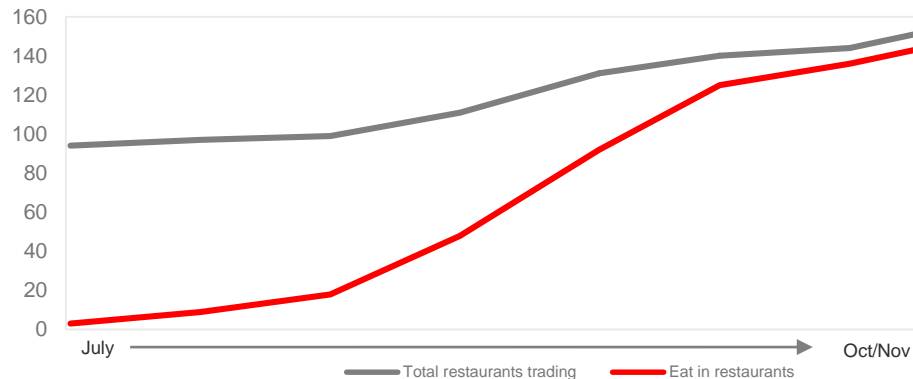
### Prioritising the safety of our teams and our customers

- Clear protocols in place across our restaurants to protect our teams and ensure customer safety, including:
  - daily team member health declarations
  - mandatory hand washing every 20 minutes
  - enhanced restaurant cleaning procedures
  - smaller restaurant teams to allow social distancing
  - uniforms worn on site only
  - contact free collection by delivery drivers



## Proactive plan to manage and mitigate risk during Covid-19: (4) building a re-opening plan for our eat in business that can be delivered safely and profitably

Indicative build of number of restaurants open for eat in and delivery sales\*



\* dependent on government advice and social distancing measures, profile may change based on learnings from initial test phase

- Controlled approach to eat in re-opening with a test and learn phase before we accelerate openings
- Clear plans in place to ensure that our restaurants open safely and legally:
  - managing capacity to ensure that social distancing can be maintained
  - clear signage to direct the guest journey through the restaurant and to set out our safety measures
  - training for our teams to ensure that they are able to safely interact with guests
  - reviewing the use of technology to facilitate re-opening
- Ensuring that our re-opening plan also makes commercial sense

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## Appendices

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## Appendix A: Group revenue

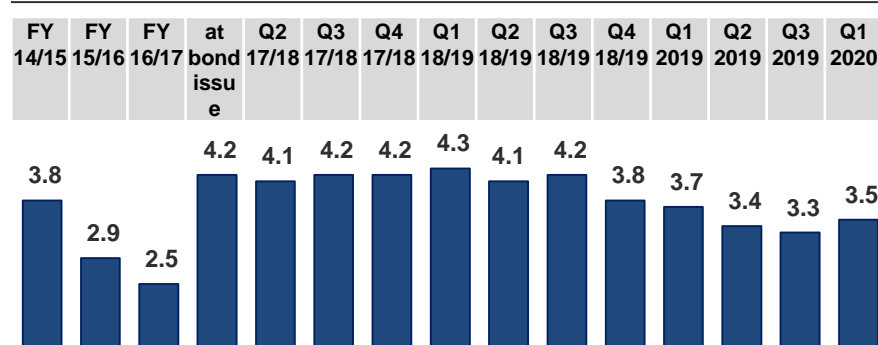
(£m)	Q1 2019 <sup>1</sup>	Q1 2020 <sup>1</sup>	Growth
Group revenue	85.6	82.3	-3.8%
- UK	81.3	80.3	-1.2%
- USA <sup>2</sup>	3.5	1.3	-63.0%
- franchise	0.8	0.7	-14.2%
UK lfl sales	10.1%	0.9%	
Adjusted EBITDA	12.4	11.5	-7.5%
% margin	14.6%	14.1%	-50 bps

## Appendix B: Adjusted EBITDA reconciliation

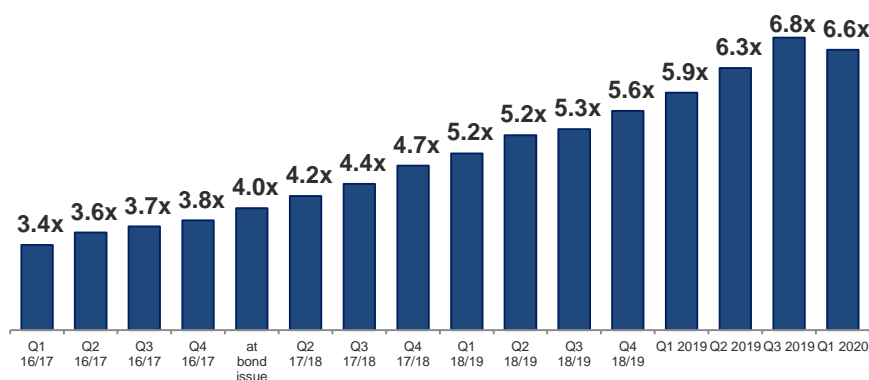
£m	Q4 2018/19 <sup>1</sup>	Q1 2020 <sup>1</sup>	SY 2019 <sup>2</sup>	LTM Q1 2020 <sup>3</sup>
<b>Profit/(loss) for the financial period</b>	<b>0.9</b>	<b>(3.8)</b>	<b>8.4</b>	<b>6.1</b>
add back:				
Tax on profit/(loss) on ordinary activities	1.0	-	3.7	3.7
Net interest payable and similar charges	2.3	2.6	6.7	10.1
Exceptional expenses/(income)	2.3	4.5	5.3	9.9
Amortisation	2.3	2.3	6.8	9.8
Depreciation and impairment of tangible assets	4.0	5.2	12.4	19.3
Loss on disposal of assets	0.3	-	0.4	0.4
Share of profit/loss of JV	-	0.2	-	0.2
<b>EBITDA</b>	<b>13.1</b>	<b>11.0</b>	<b>43.7</b>	<b>59.5</b>
Pre-opening costs	-	0.3	1.4	1.7
Corporate expenses	0.1	0.1	0.1	0.2
Share-based payment charge	-	0.1	0.1	0.1
<b>Adjusted EBITDA</b>	<b>13.2</b>	<b>11.5</b>	<b>45.3</b>	<b>61.5</b>
Adjustment (to comparable 13 week period)	(0.8)	n/a		
<b>Adjusted EBITDA (13 week comparable)</b>	<b>12.4</b>	<b>11.5</b>	<b>45.3</b>	<b>61.5</b>

## Appendix C: Key metrics

### Leverage<sup>1</sup>

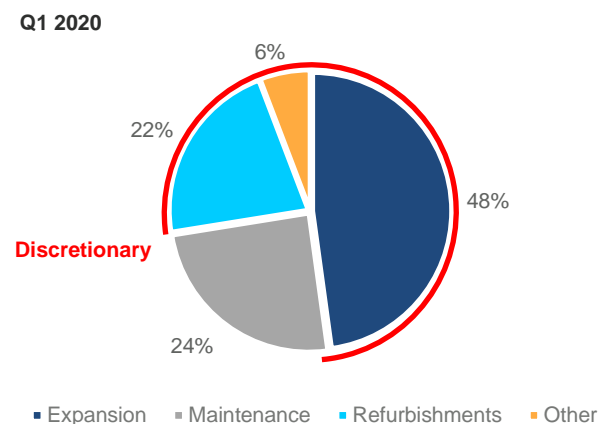


### Interest cover based on LTM adjusted EBITDA<sup>2</sup>



### Capex spend continues to be financed from cash

- Significant proportion of capex spend in Q1 2020 remains discretionary





## Appendix D: Amendment to the reporting calendar

Following the acquisition of Mabel Mezzco Limited's parent company Mabel Topco Limited by The Restaurant Group, the Group has adopted a revised reporting calendar to align with The Restaurant Group's financial calendar:

Quarter	Previous reporting timetable	No. weeks	Revised reporting timetable	No. weeks	Comment
Q4 2018/19	4 February 2019 – 28 April 2019	12	4 February 2019 – 28 April 2019	12	
Q1 2019	29 April 2019 – 18 August 2019	16	29 April 2019 – 30 June 2019	9	Short period to align quarters
Q2 2019	19 August 2019 – 10 November 2019	12	1 July 2019 – 29 September 2019	13	
Q3 2019	11 November 2019 – 2 February 2020	12	30 September 2019 – 29 December 2019	13	
Q1 2020 (prev. Q4)	3 February 2020 – 26 April 2020	12	30 December 2019 – 29 March 2020	13	Commencement of new 12 month financial year