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**wagamama**

Investor Presentation



6 October 2020  
Quarter 2 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. Q2 2020<sup>1</sup> sales and EBITDA significantly impacted by Covid-19
2. Proactive plan to manage and mitigate risk through Covid-19
3. Phased re-opening with safety as a priority
4. Strong UK LFL recovery and continued market outperformance post re-opening





**Q2 2020 sales and  
EBITDA significantly  
impacted by Covid-19**

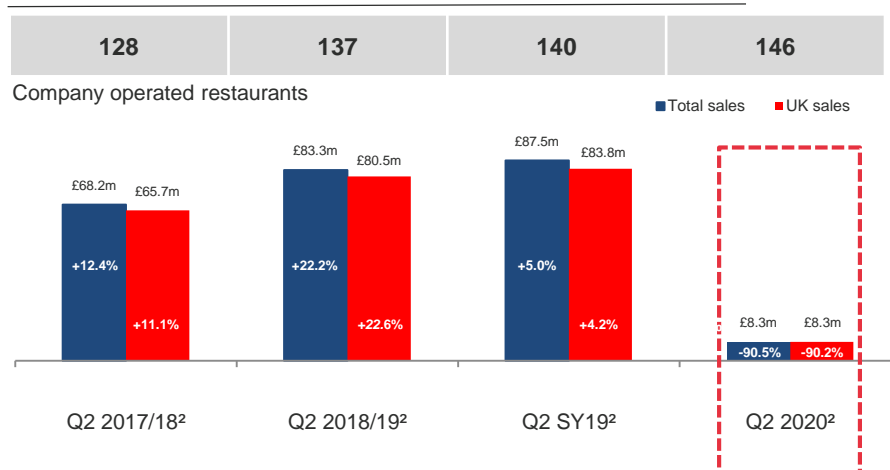
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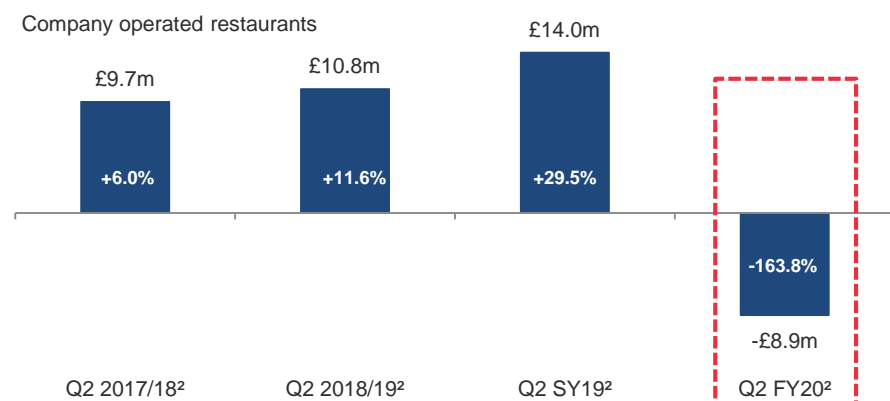
## Q2 2020 sales and EBITDA significantly impacted by Covid-19

### Group total sales<sup>1</sup> (£m) and growth (%) – Q2



- Q2 sales significantly impacted by Covid-19 with a complete closure for eat in sales based on government restrictions followed by a gradual re-opening for delivery and takeout orders. As set out on slide 9, a limited number of sites traded for delivery in April and May, with a more significant re-opening in late June
- 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)

### Group total EBITDA<sup>1</sup> (£m) and growth (%) – Q2



- Group adjusted EBITDA decline to -£8.9m in Q2 2020 driven by restaurant closure followed by limited trading during the quarter
- Proactive measures taken to minimise costs and limit cash burn during the quarter, preventing more significant profit impact
- Adjusted EBITDA loss for the quarter includes full contractual rent charge



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

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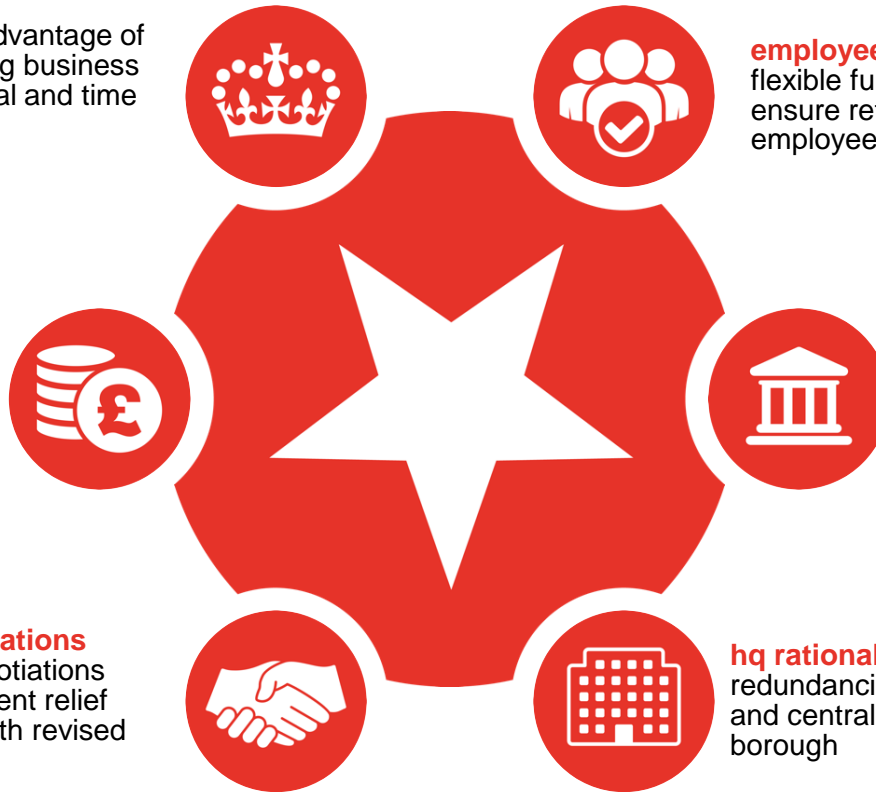


## Proactive plan to manage and mitigate risk during Covid-19: Securing cost base & liquidity by relentlessly focusing on cash burn

**government aid** taken advantage of available support including business rates holiday, VAT deferral and time to pay arrangements

**working capital** renegotiated contracts with key suppliers and agreed payment plans

**positive landlord negotiations** constructive ongoing negotiations with landlords to secure rent relief and deferrals, together with revised contractual terms



**employees** utilised furlough and flexible furlough schemes to ensure retention of majority of our employees through the pandemic

**lender support** secured increase in revolving credit facility to improve liquidity, not currently utilised

**hq rationalisation** central staff redundancies; closure of soho office and centralised into group office in borough



**Phased re-opening with  
safety as a priority**




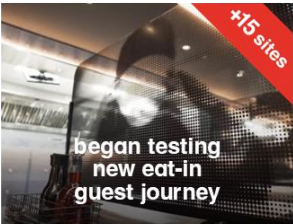







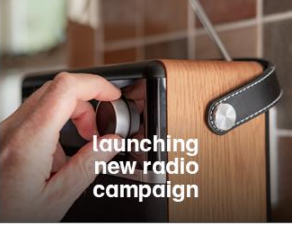






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## Phased re-opening with safety as a priority: staying engaged with our customers, community and people

	march-may	june	july	august	september
 business continuity	 closed	 resumed covid-safe delivery and launched click+collect	 began testing new eat-in guest journey	 eat out to help out	 reopening rest of london
 keeping the brand alive	 'wok from home' series on our youtube channel	 resumed covid-safe delivery and launched click+collect	 began testing new eat-in guest journey		 launching new radio campaign
 team engagement	 regular, relevant, personal comms	 today we stand with our team-members who march for justice + equality together, we can bring change supporting black lives matter	 celebrating reopening		 be you. be heard

### into october

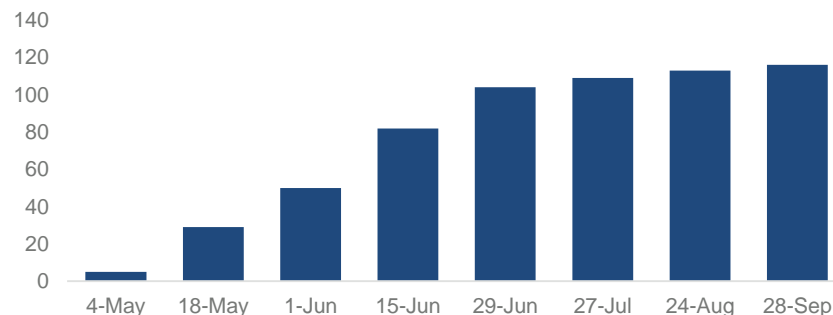
Launching our fresher's campaign and 'the noodle union'

- wok from halls, teaching students to eat well and student sundays at wagamama
- supporting mental health charity YoungMinds



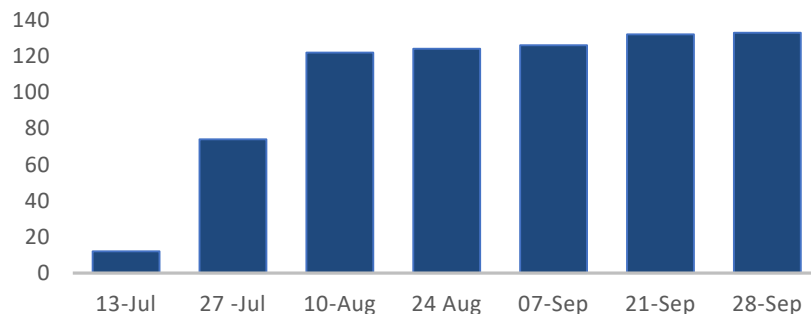
## Phased re-opening with safety as a priority: re-opening for delivery and click and collect through Q2 2020 followed by eat in from July 2020

Number of restaurants open for delivery sales



- Phased re-opening of operations from May 2020 starting with delivery
- Launch of 'click and collect', allowing customers to pre-order and select a collection time
- Out of restaurant sales performance encouraging with growth in sales mix percentages for both delivery and click and collect compared to comparable sales last year
- Strong delivery operations providing a base for 'Covid resilience' in the event of further lockdown or restrictions

Number of restaurants open for eat-in dining



- Phased re-opening plan with an initial test and learn phase before wider rollout
- Accelerated opening plan following strong customer demand and to align with government-backed eat out to help out scheme
- Eat in sales performance encouraging despite capacity being restricted. Shift in customer eating patterns, particularly during eat out to help out, allowing us to utilise capacity across the day

## Phased re-opening with safety as a priority: making our teams and guests feel safe

june/july

1

**making our teams feel safe**

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here's how we're looking after our teams + guests

- following latest government advice to keep our kitchens safe
- mandatory health screenings for team members returning to work
- daily health declarations completed by team members
- increased hand washing min. 20 seconds every 20 mins
- enhanced cleaning procedures washing surfaces every 30 minutes
- ppe provided for necessary tasks
- team uniforms worn in restaurant only
- smaller kitchen teams to support social distancing
- double-stickering delivery bags to keep food extra safe
- contact-free pick up stations

made fresh. made safe. wagamama

july/august

2

**making our guests feel safe**

welcome back to wagamama

we've introduced a few small changes to keep everyone safe the wagamama way

- menus on placemats our menus are now on placemats which makes them disposable
- reduced menu all the classics are there, but this menu helps our smaller teams to deliver their best bowls safely
- moveable bench screens we've introduced moveable screens on some of our longer benches to separate groups safely
- guests to pay on phone we're no longer taking cash payments but we've introduced a new way to pay - on your phone

our pay on phone service captures data to let us know you've been here. this helps us comply with the government's request to hold visit data temporarily

made fresh. made safe. wagamama



Our new movable "Shoji" bench screens



Contact-free pay-at-table now available at all of our restaurants



Kevin Smith @OneKevinSmith · 6h

Out of all the places I've eaten post lockdown (both independent and chain), I think @wagamama\_uk have really nailed the experience. Their seating dividers are great (not just a sheet of plastic) and service is spot on 🍡



Jo Louise @Jolouisee\_x

Replying to @wagamama\_uk

Was so impressed with how well it was run in terms of distancing, sanitising etc. Bravo, as always! 🍡



**Strong LFL recovery  
and continued market  
outperformance post  
re-opening**

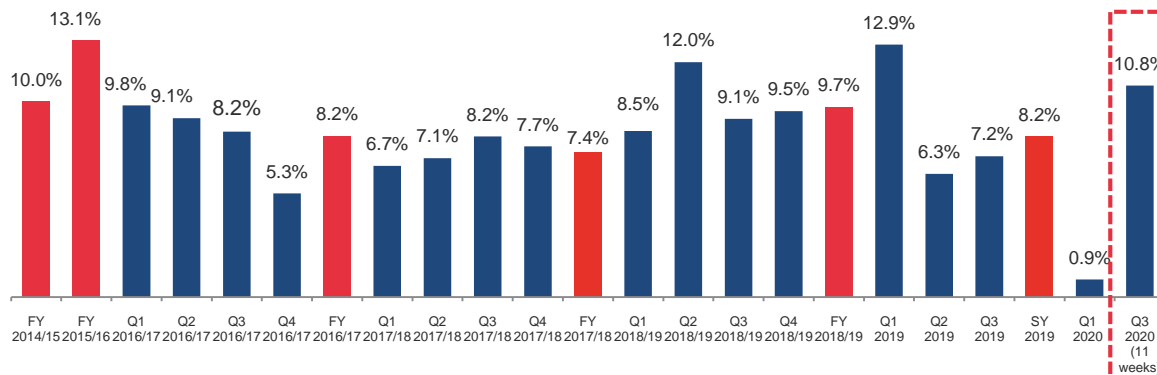
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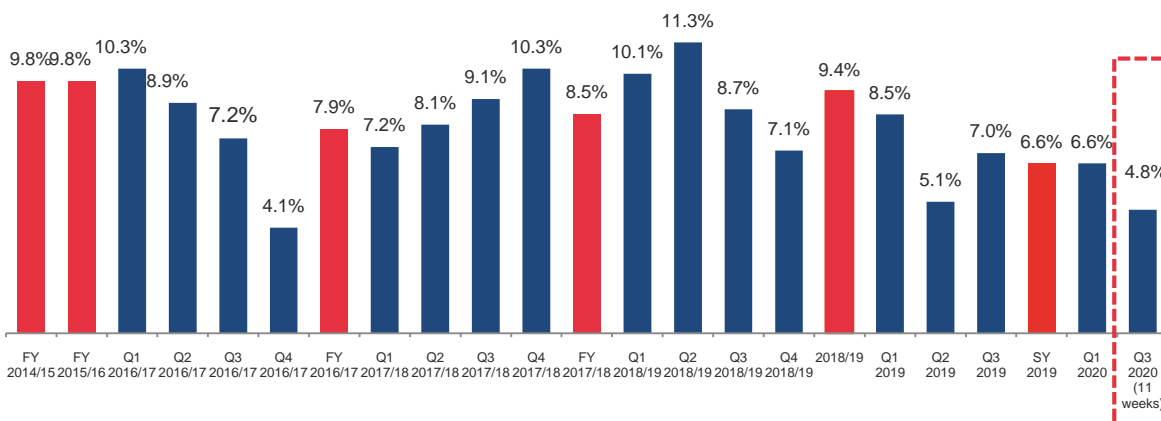
## Strong LFL recovery and continued market outperformance post re-opening: Strong LFL in first 11 weeks post re-opening benefiting from the eat out to help out scheme

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



- No LFL data shown for the Q2 period due to restaurant closures as a result of Covid-19 followed by limited trading for delivery and click and collect
- LFL comparable data resumed in week 28, and in the 11 weeks to date we have seen strong like-for-like sales across the estate driven by:
  - successful eat in re-opening with the benefit of the eat out to help out scheme
  - strength of delivery and click and collect business

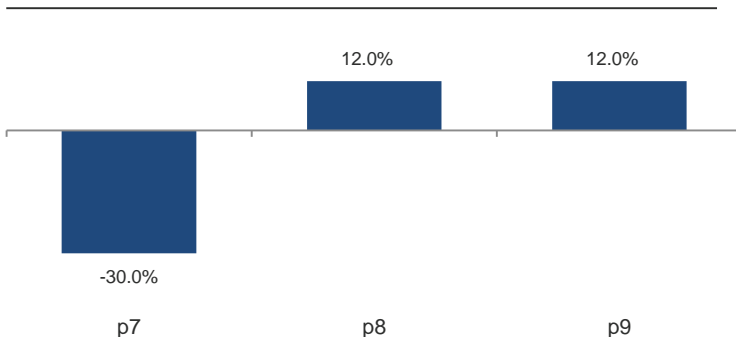
### Level of UK market outperformance<sup>2</sup>



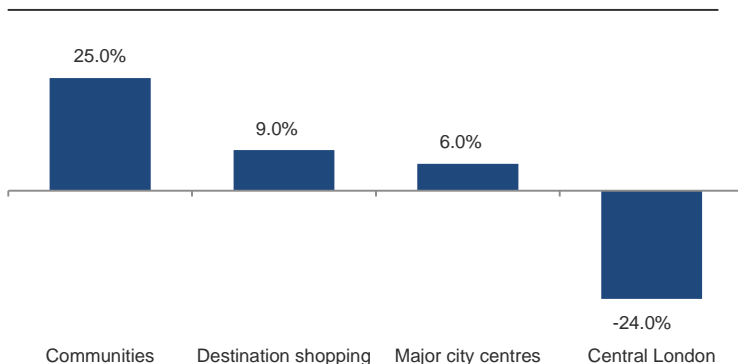
- Performed strongly against the market, outperforming by 4.8% for the 11 weeks to 20 September 2020

## Strong LFL recovery and continued market outperformance post re-opening: Strong LFL in first 11 weeks post re-opening benefiting from the eat out to help out scheme

UK LFL<sup>1</sup> sales by month – Q3 to date (%)



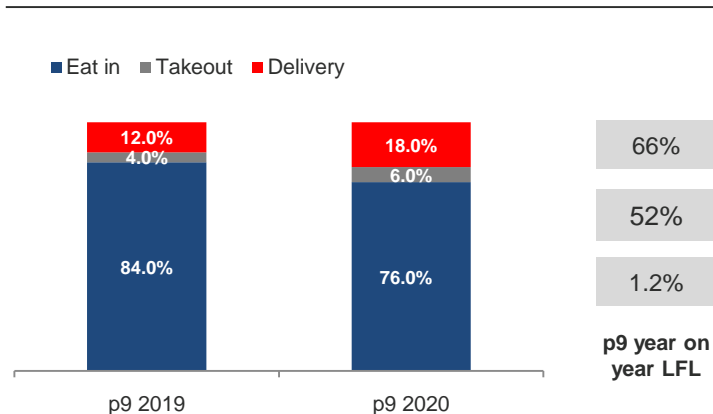
UK LFL by segment<sup>2</sup> – Q3 to date (%)



Number of sites trading for eat in end of Q3 2020

67	34	15	15
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Sales by channel mix – p9 2019 vs 2020



- The eat out to help out scheme was the driver of significant sales uplift in p8 and p9, with consumer eating patterns shifting to allow maximum use of restricted capacity
- Post eat out to help out, relative LFL expectations are lower as seen across the sector, with significant uncertainty as to both restrictions and consumer behaviour moving in to Q4



## Summary

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1. Q2 2020 sales and EBITDA significantly impacted by Covid-19 with both a closure period and restricted trading
2. We have proactively managed and mitigated risk through Covid-19 with a strong focus on costs and cash burn
3. We have successfully reopened and grown our delivery business building a strong base to trade through any future lockdown or restrictions
4. The majority of our sites have now reopened for eat in and have performed well on a LFL basis, particularly benefiting from the eat out to help out scheme
5. The safety of our customers and our teams remains our priority and we will continue to engage and innovate, living our brand 'with positivity from bowl to soul'



## Appendices

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## Appendix A: Group revenue

(£m)	Q2 2019 <sup>1</sup>	Q2 2020 <sup>1</sup>	Growth	YTD Q2 2019 <sup>3</sup>	YTD Q2 2020 <sup>3</sup>	Growth
Group revenue	88.3	8.5	-90.4%	173.9	90.8	-47.8%
- UK	83.8	8.2	-90.2%	165.2	88.6	-46.4%
- USA <sup>2</sup>	3.7	0.0	-100%	7.1	1.3	-81.7%
- franchise	0.8	0.3	-62.5%	1.6	1.0	-37.5%
UK Ifl sales	-	-		-	-	
Adjusted EBITDA	14.0	(8.9)	-164.8%	26.4	2.5	-90.4%
% margin	16.0%	-107.9%	-123.9%	15.3%	2.8%	-12.5%



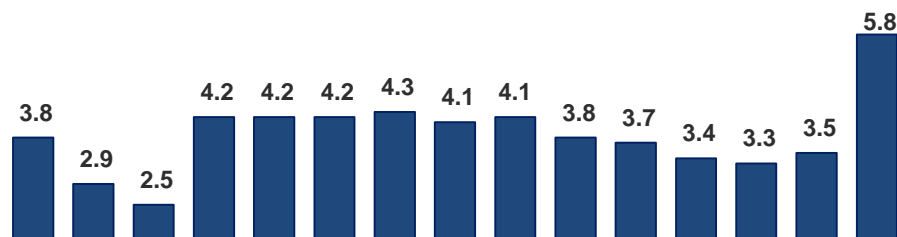
## Appendix B: Adjusted EBITDA reconciliation

£m		Q1 2019 <sup>1</sup>	Q2 2020 <sup>1</sup>	YTD 2019 <sup>2</sup>	YTD 2020 <sup>2</sup>	LTM Q2 2020 <sup>3</sup>
Profit/(loss) for the financial period		1.3	(33.7)	1.3	(37.5)	(30.4)
add back:	Tax on profit/(loss) on ordinary activities	0.8	(0.7)	0.8	(0.7)	2.1
	Net interest payable and similar charges	1.8	2.8	1.8	5.4	10.3
	Exceptional expenses/(income)	0.2	14.4	0.2	18.9	24.1
	Amortisation	1.8	2.7	1.7	5.0	10.0
	Depreciation and impairment of tangible assets	3.0	5.0	3.0	10.2	19.7
	Loss on disposal of assets	-	-	-	-	0.4
	Share of profit/loss of JV	-	0.4	-	0.6	0.6
EBITDA		8.9	(9.1)	8.9	1.9	36.8
Pre-opening costs		-	-	-	0.3	1.5
Corporate expenses		0.1	0.1	0.1	0.1	0.3
Share-based payment charge		-	0.1	-	0.2	0.2
Adjusted EBITDA		9.0	(8.9)	9.0	2.5	38.8
Adjustment (to comparable 13 week period)		5.0	n/a	17.4	n/a	n/a
Adjusted EBITDA (13 week comparable)		14.0	(8.9)	26.4	2.5	38.8

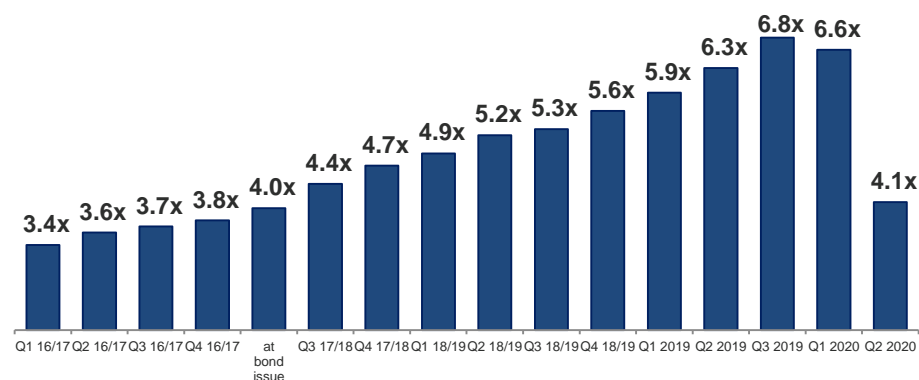
## Appendix C: Key metrics

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

FY 14/15	FY 15/16	FY 16/17	at bond issue	Q3 17/18	Q4 17/18	Q1 18/19	Q2 18/19	Q3 18/19	Q4 18/19	Q1 2019	Q2 2019	Q3 2019	Q1 2020	Q2 2020
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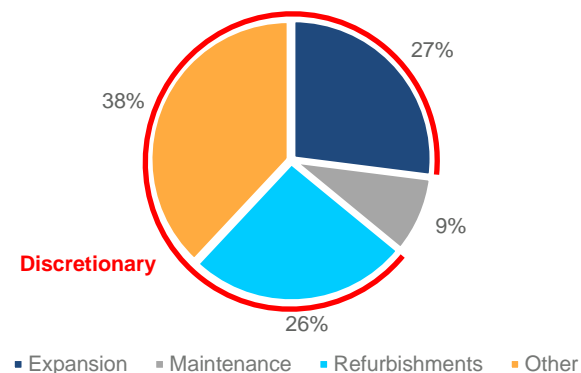
### Interest cover based on LTM adjusted EBITDA<sup>2</sup>



### Capex spend continues to be financed from cash

- Significant proportion of capex spend in Q2 2020 remains discretionary

Q2 2020



<sup>1</sup> leverage: net debt /LTM adj. EBITDA

<sup>2</sup> interest cover: LTM adj. EBITDA/bond interest

## 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
Q2 2020 (prev. Q1)	27 April 2020 – 19 July 2020	12	30 March 2020 – 28 June 2020	13	