

Investor Presentation

29 November 2017
Quarter 2 2017/18

wagamama

The background of the slide is a high-quality photograph of a wooden table with a prominent grain pattern. On the table, there are several plates of food: a plate with a stir-fry of vegetables and meat in the top left, a plate with dumplings in the top right, and a plate with fried shrimp and a small bowl of red dipping sauce in the bottom right. A pair of wooden chopsticks lies horizontally in the center of the table. The Wagamama logo, consisting of the word 'wagamama' in a lowercase sans-serif font with a small red star above the 'a', is positioned in the upper right quadrant. Below the logo, the tagline 'food to make you feel good' is written in a larger, bold, lowercase sans-serif font.

wagamama

food to make
you feel good

Disclaimer

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.

Such forward-looking statements are based on numerous assumptions regarding the group's present and future business strategies and the environment in which the group will operate in the future. Many factors could cause the group's actual results, performance or achievements to differ materially from those in the forward-looking statements. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this presentation. The group expressly disclaims any obligations or undertaking, except as required by applicable law and applicable regulations to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the group's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained throughout this document.

The 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. There can be no assurance that the group's actual results for the period presented herein will not differ from the preliminary financial data presented herein and such changes could be material. This preliminary 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. This preliminary financial information, and previously reported amounts, could be impacted by the effects of the pending review of the Board of Directors.

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

1. LFLs outperforming the market
2. Q2 2017/18¹ sales growth of 14.4%
3. Investing in our brand
4. Adjusted EBITDA continues to grow
5. Continued investment in new openings and pipeline
6. Improvement in leverage and interest cover

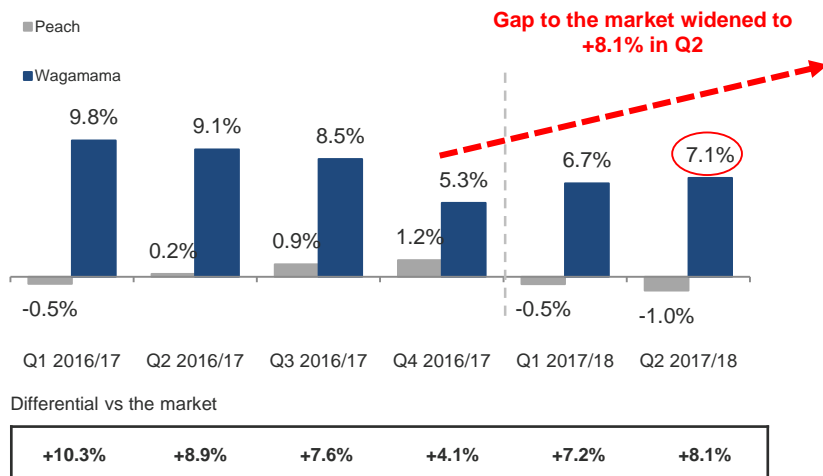


1. LFLs outperforming the market



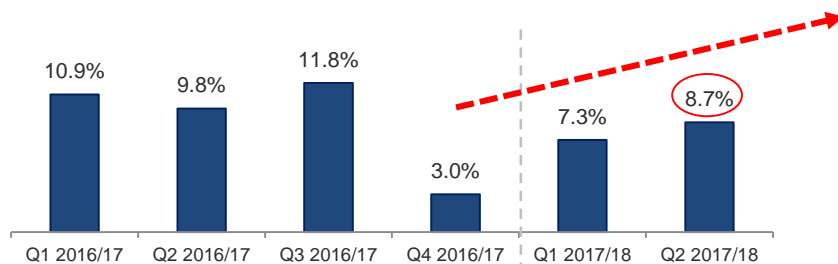
LFLs outperforming the market: 7.1% UK LFL, significantly ahead of the market

UK LFL¹ growth (%) vs peer group² continues into Q2



- Q2 UK LFL increased further on Q1 while the market is in decline
- Traded ahead of the competition for over 3 years – 183 consecutive weeks
- Gap to the market further widened to 8.1% in the Quarter

USA LFL¹ restaurants continue to show growth (%)



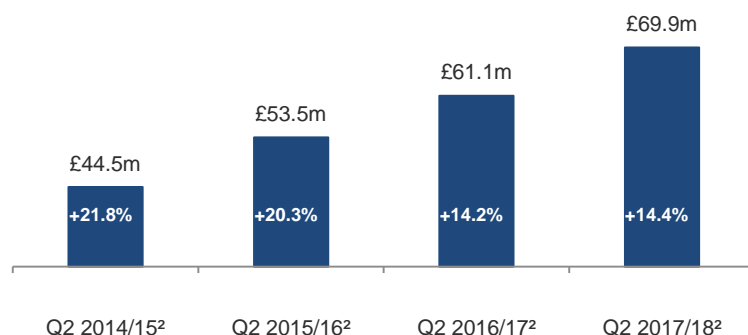
- USA LFLs continue to show growth at 8.7%

2. Q2 2017/18
sales growth of
14.4%

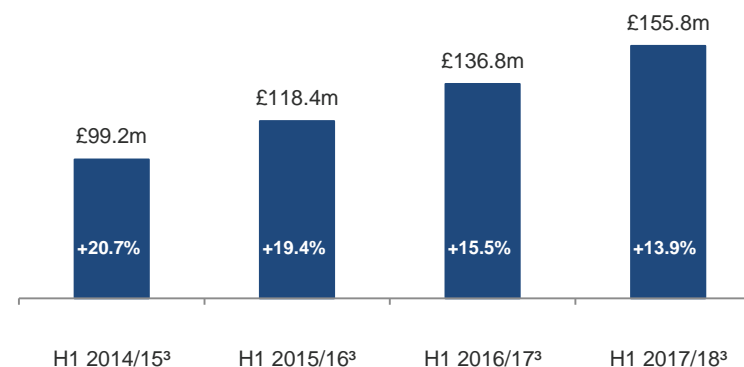


Q2 2017/18 sales growth of 14.4%: Track record of double digit sales growth continues

Group total sales¹ (£m) and growth (%) – Q2



Group total sales¹ (£m) and growth (%) – Half Year



- Sales growth of 14.4% in Q2 17/18 and 13.9% in H1 17/18
- Driven by both strong LFL growth and opening of a further 7 restaurants in H1 17/18

3. Investing in our brand



Investing in our brand: driving future LFL growth

Underlying EBITDA growth allowing us to invest in our brand:



Training and people

- Investment in increased training of our teams, including significant focus on apprenticeships
- Allowing us to attract high calibre team members resulting in greater retention and declining staff turnover



Innovation

- Highly successful launch of the national vegan/vegetarian menu
- Opening of noodle lab offering a range of trial dishes and drinks for immediate customer feedback



Refurbishments and maintenance

- Increased discretionary maintenance spend across the estate in Q2 ensuring our estate is in peak condition for our key trading period
- 15 discretionary refurbishments completed in H1 2017/18 enabling us to add long term value to the Group.
- Focus on our kitchens to allow capacity in line with sales growth



Marketing

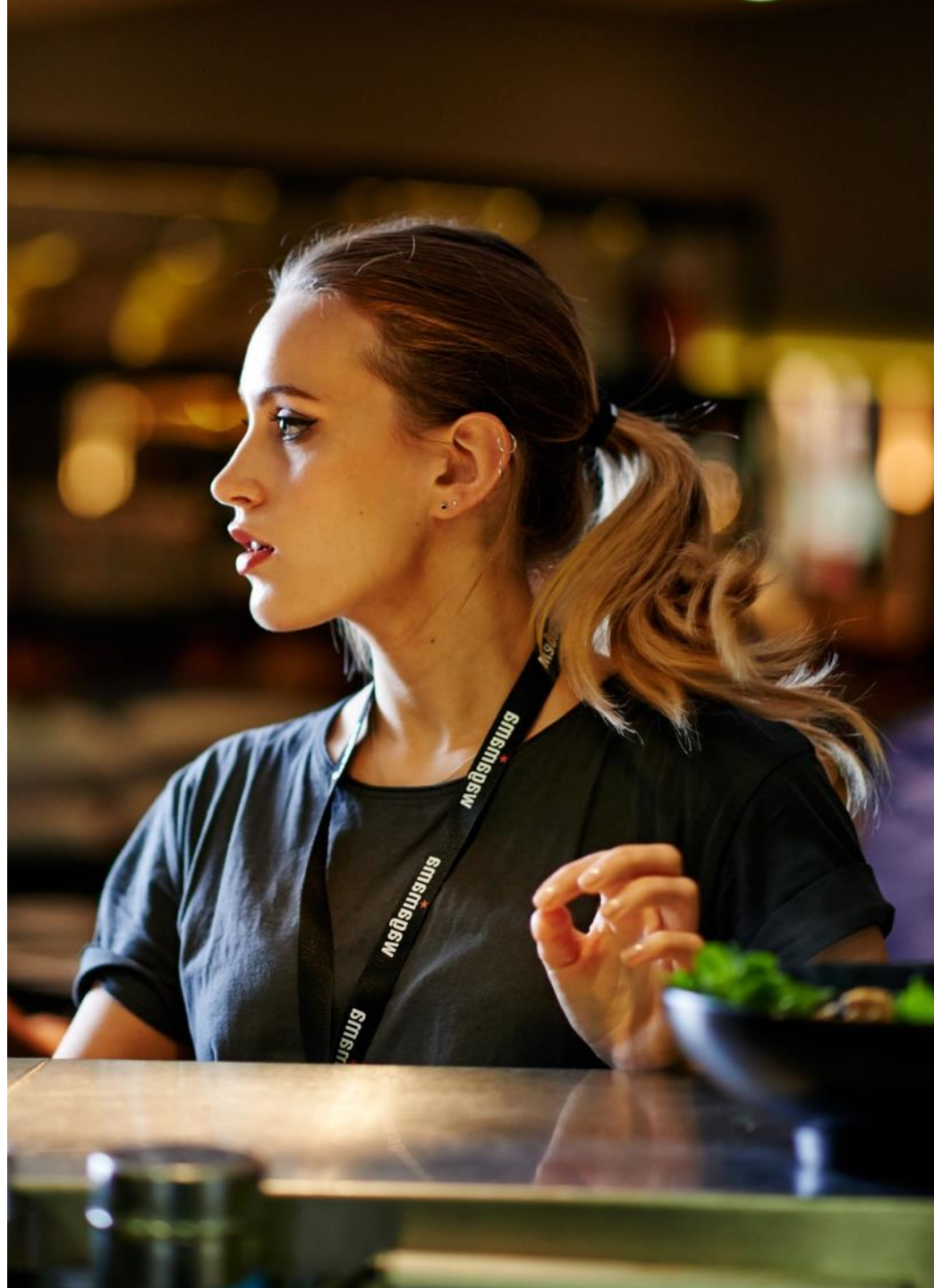
- Successful Autumn campaign including digital out of home and radio advertising
- Christmas campaign recently launched



Winner at the CGA 2017 Hero Awards

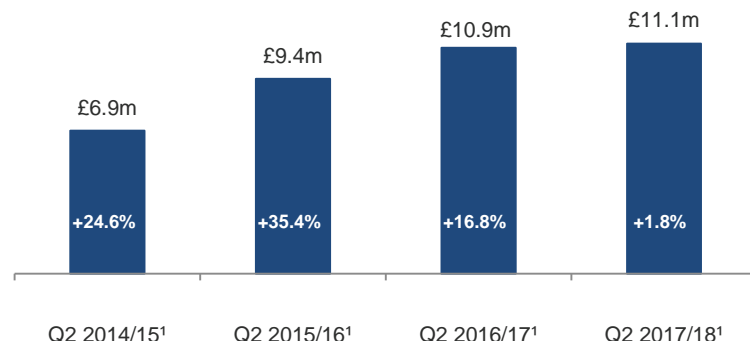
- Most admired company or brand
- Best company (50 sites plus)

4. Adjusted EBITDA continues to grow



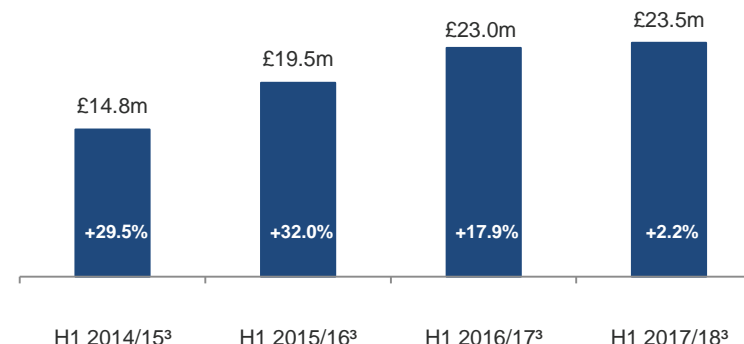
Adjusted EBITDA continues to grow: Q2 Adjusted EBITDA² +1.8% against Q2 16/17

Q2 – Group Adj. EBITDA continues to grow (£m, % sales)



Adj. EBITDA Margin %	+15.5%	+17.5%	+17.9%	+15.9%
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H1 – Group Adj. EBITDA continues to grow (£m, % sales)



Adj. EBITDA Margin %	+14.9%	+16.5%	+16.8%	+15.1%
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- Absorbed our discretionary brand building investments
- Business continuing to manage the challenges of:
 - National Living Wage
 - Business rates increases
 - Supply chain costs
- Front loading of openings in H1 2017/18 results in some margin depression
- U.S. investment phase continues to impact margin

5. Continued investment in new openings and pipeline



Continued investment in new openings and pipeline: 7 company and 6 franchise openings in H1

Openings in H1 and Q3 to date

- St Peters Manchester – opened 3 July
- Leeds White Rose – opened 10 July
- Bedford – opened 20 July
- Cheltenham – opened 31 July
- Bracknell – opened 7 September
- Reigate – opened 13 November (early Q3)
- Seaport, Boston – opened 2 August
- East Village, New York – opened 4 October



Bracknell



East Village

UK refurbishments in H1

- | | |
|--------------------|------------------|
| • Wandsworth | • Basingstoke |
| • Leeds Trinity | • York |
| • Leicester Square | • Harrogate |
| • Nottingham | • Spinningfields |
| • Cambridge | • Guildford |
| • Ashford | • Media City |
| • Southampton | • St Albans |
| • Camberley | |

Franchise openings in H1

- Bergamo
- Genova Madrid
- Jeddah
- Parquesur Madrid
- Plaza Rio Madrid
- Doha Festival City



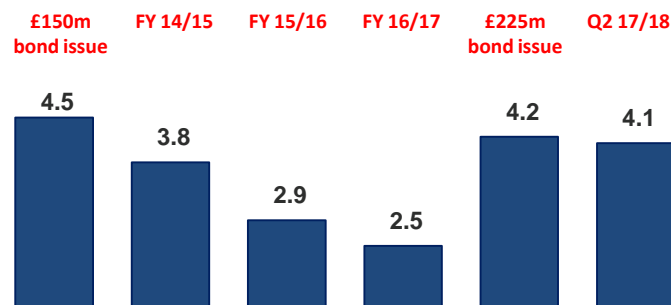
Plaza Rio

6. Improvement in leverage and interest cover

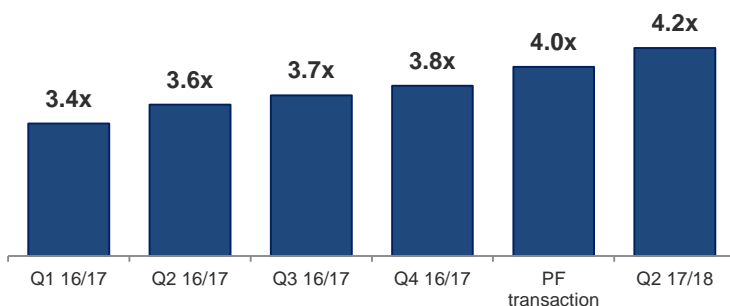


Improvement in leverage and interest cover: improved metrics since new bond issue

Leverage¹

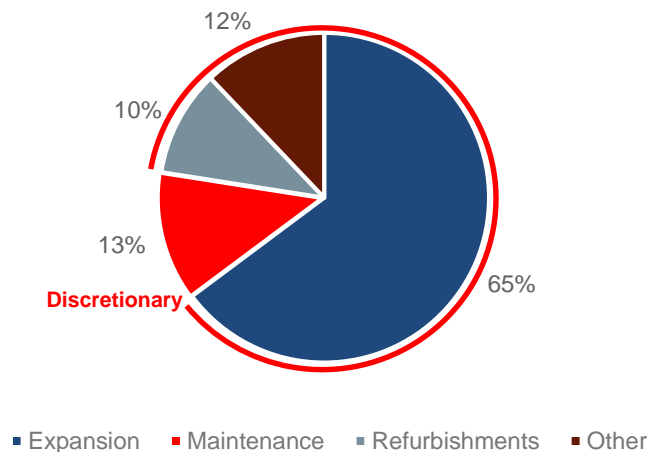


Interest cover based on LTM adjusted EBITDA²



Capex spend of £17.8m in H1 17/18 financed from cash

- Highly cash generative, with increased EBITDA allowing us to invest in people, product and property from our free cash flow
- £31.7m cash on the balance sheet
- Over 85% of capex spend in H1 17/18 remains discretionary



Overview

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6. Improvement in leverage and interest cover



Appendices



Appendix A

(£m)	Q2 2016/17 ¹	Q2 2017/18 ¹	growth	H1 2016/17 ³	H1 2017/18 ³	growth
Group revenue	61.7	70.6	+14.4%	138.1	157.4	+14.0%
- UK	59.6	67.6	+13.4%	133.4	150.6	+12.9%
- USA ²	1.5	2.3	+53.3%	3.4	5.2	+52.9%
- franchise	0.6	0.7	+16.7%	1.3	1.6	+23.1%
UK lfl sales	9.1%	7.1%		9.5%	6.9%	
US lfl sales ²	9.8%	8.7%		10.7%	7.9%	
Adjusted EBITDA	10.9	11.1	+1.8%	23.0	23.5	+2.2%
% margin	17.9%	15.9%	-200bps	16.8%	15.1%	-170bps

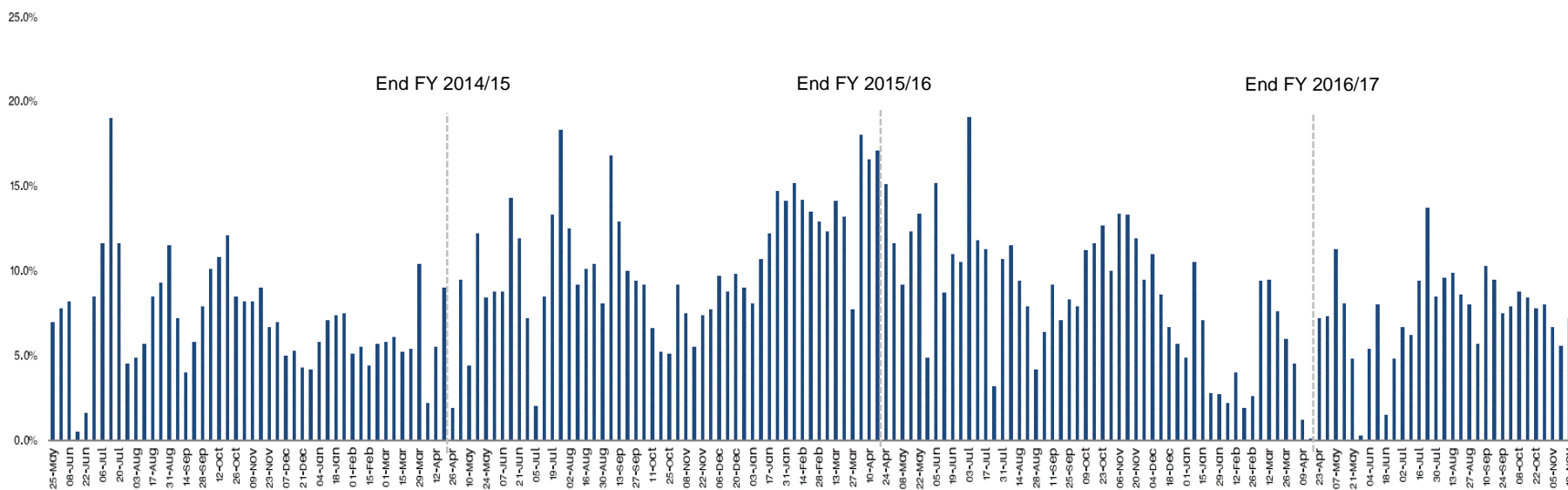
Appendix B: Adjusted EBITDA reconciliation

£m	Q2 2016/17 ¹	Q2 2017/18 ¹	H1 2016/17 ²	H1 2016/17 ²	LTM ³ Q2 2017/18
Profit/(loss) for the financial period	2.0	(0.5)	2.7	(8.2)	(5.5)
add back:					
Tax on profit/(loss) on ordinary activities	0.7	0.7	1.3	(0.4)	2.1
Net interest payable and similar charges	3.0	2.4	6.9	6.0	12.1
Exceptional expenses/(income)	0.3	2.4	0.6	12.4	11.1
Goodwill amortisation	2.1	2.1	4.9	4.9	9.1
Depreciation and impairment of tangible assets	2.3	3.1	5.2	6.8	12.9
Loss on disposal of assets	-	-	-	-	0.5
EBITDA	10.4	10.2	21.6	21.5	42.3
Pre-opening costs	0.6	0.9	1.4	1.9	3.5
Corporate expenses	-	-	-	0.1	0.2
Adjusted EBITDA	10.9	11.1	23.0	23.5	46.0

Appendix C: weekly outperformance of the competition for 183 consecutive weeks¹

Consistent UK LFL² outperformance of the market

UK LFL sales growth: percentage point difference ahead of peer group³



¹ to 19 November 2017

² Like for like sales growth defined as sales from our restaurants which traded for at least 17 full four week periods

³ wagamama actual UK LFL sales growth % versus peer group restaurants reported sales growth %

Source: Data from Coffey Peach business tracker which monitors sales performance across the following major restaurant operators: Pizza Hut, Pizza Express, TGI Fridays, Casual Dining Group (Café Rouge, Bella Italia, Las Iguanas, La Tasca), Azzurri Restaurants (Zizzi, ASK), Wagamama, YO! Sushi, Carluccio's, Living Ventures, 20 Strada, Giraffe, Byron, Gaucho, Le Bistrot Pierre, Prezzo, The Restaurant Group (Chiquito, Frankie & Benny's, Coast to Coast, Garfunkel's), M&B (Browns, Miller & Carter), Le Pain Quotidien, Honest Burgers, Fazenda

**thank
you**

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