



  
wagamama

Investor Presentation



3 September 2019  
Quarter 4 2018/19  
Quarter 1 2019

## Disclaimer

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### 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. UK LFLs strong and continue to outperform the market
2. Double digit sales<sup>2</sup> growth continues in Q4 2018/19<sup>1</sup> and Q1 2019<sup>1</sup>
3. Market leading customer metrics
4. Adjusted EBITDA growth year on year
5. Key metrics in line with our expectations





**UK LFLs strong and  
continue to outperform  
the market**

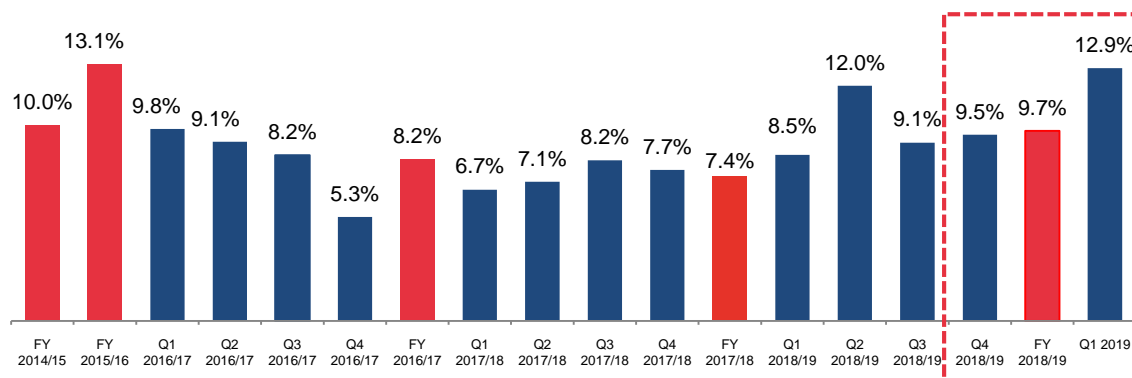
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## UK LFLs strong and continue to outperform the market: 9.4% outperformance in FY 2018/19

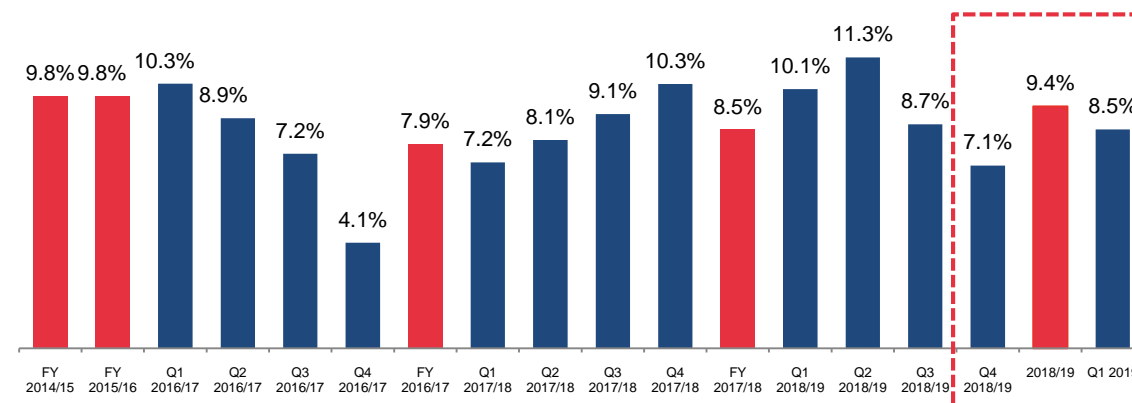
### UK LFL<sup>1</sup> growth (%)



### FY 2018/19

- Wagamama UK LFL growth of 9.5% in Q4 2018/19 and 9.7% for FY 2018/19 continuing the strong trend
- UK LFL gap to the market remains significant at 7.1% in Q4 2018/19 and 9.4% for FY 2018/19
- USA Q4 2018/19 LFL at 12.0% and FY 2018/19 at 7.3%

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



### Q1 2019

- We have now traded ahead of the market every week for 275 weeks
- UK LFL of 12.9% in Q1 2019 with UK LFL gap to the market at 8.5%
- US LFL further increasing to 12.5% in Q1 2019

<sup>1</sup> Like for like sales growth defined as sales from our restaurants which traded for at least 17 full four week periods

<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: Pizza Hut, Pizza Express, Casual Dining Group (Café Rouge, Bella Italia, Las Iguanas, La Tasca), Azzurri Restaurants (Zizzi, ASK), Wagamama, Carluccio's, Living Ventures, Giraffe, Byron, Gaucho, Le Bistrot Pierre, Prezzo, Polpo, The Alchemist, The Restaurant Group (Chiquito, Frankie & Benny's, Coast to Coast, Garfunkel's), M&B (Browns, Miller & Carter), Le Pain Quotidien, Honest Burgers, Bills, City District Enterprise, Gusto, Mowgli, Various Eateries Ltd, Banana Tree Restaurants, Buzzworks Holdings Group, Strada, TGI Friday's



**Double digit sales  
growth continues in Q4  
2018/19 and Q1 2019**

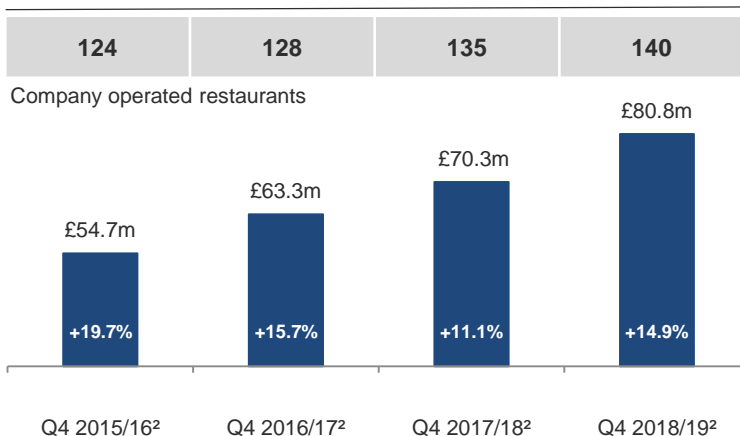
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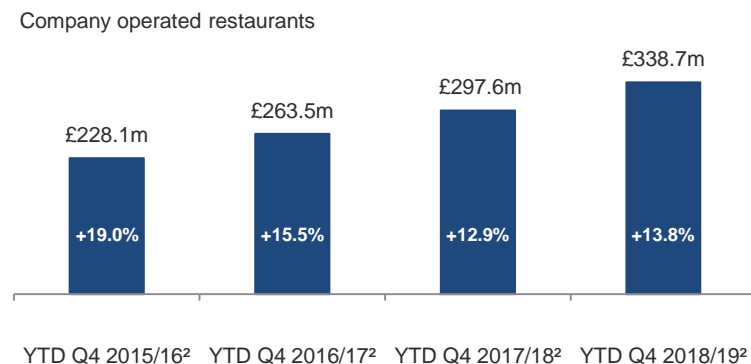
## Q4 2018/19 sales growth of 14.9%: Track record of double digit sales growth continues

### Group total sales<sup>1</sup> (£m) and growth (%) – Q4



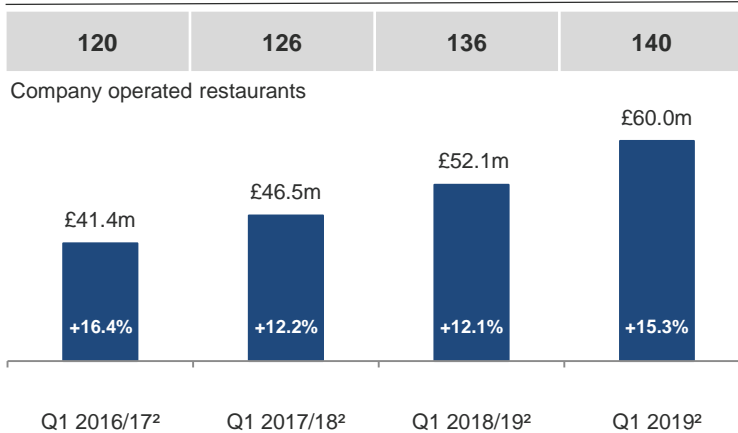
- Sales growth of 14.9% in Q4 2018/19 against Q4 2017/18
- Driven by both strong LFL growth and an additional 4 company operated restaurants and 1 delivery only site within the group portfolio in Q4 2018/19 compared to Q4 2017/18
- 13 restaurants achieved a record sales week in Q4 2018/19 and 199 record sales weeks were achieved in FY 2018/19

### Group total sales<sup>1</sup> (£m) and growth (%) – FY18/19



## Q1 2019 sales growth of 15.3%: Track record of double digit sales growth continues

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



- Sales growth of 15.3% in Q1 2019 against Q1 2018/19
- Driven by both strong LFL growth and an additional 4 company operated restaurants
- 19 restaurants achieved a record sales week in Q1 2019

**Note:** Q1 2016/17, Q1 2017/18 and Q1 2018/19 have been restated to 9 weeks to provide comparative information to Q1 2019 which is a short quarter to re-align accounting periods per Appendix C



**Market leading  
customer metrics**

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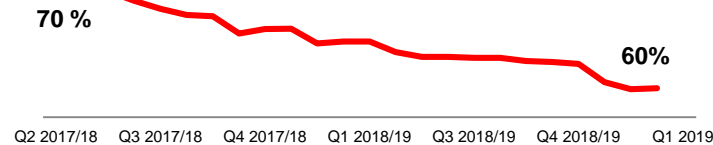


# Market leading customer metrics: Focusing on our teams and our customers

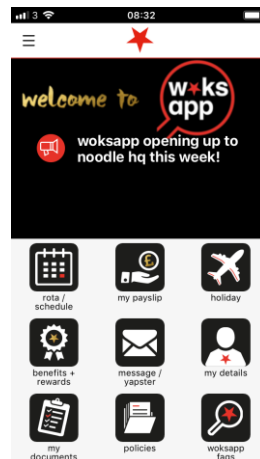
## Team engagement and turnover

- Overall Glassdoor score of 4.2<sup>1</sup>. 81%<sup>1</sup> would recommend wagamama as a place to work
- Investment in team training and development opportunities driving our lowest level of team turnover

### Team turnover



- Launch of woksapp app for all team members providing access to all wagamama essentials including:
  - rotas and human resource information
  - benefits and wellbeing platforms
  - notifications and peer to peer messaging



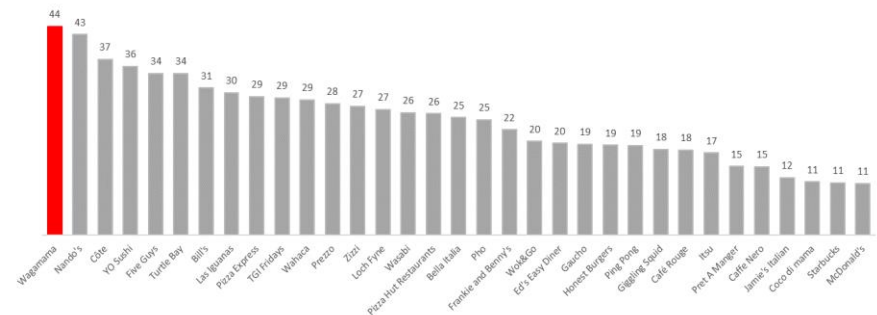
## Brand marketing that stays ahead of the competition

- Spring campaign celebrating the Japanese festival of hanami
- Further collaboration with Gaz Oakley, with the launch of the avant gard'n dish featuring the vegan 'egg'
- New menu launch in May with successful launch of kokoro bowls, new cocktails and desserts



## July 3-month Net Promoter Score (Promoters - Detractors)<sup>2</sup>

- Ranked in 1<sup>st</sup> place amongst our competitors for NPS



## Continued affordable investment in new openings and refurbishments

### Openings

- Murray Hill, NY (USA) – opened Feb 2019

2019 pipeline:

- The Bower, London
- Heathrow Terminal 3
- Fort Kinnaird, Edinburgh

### Conversions

- First 2 conversion sites – Stevenage & Bletchley opened in Q2 (19 August)
- Further pipeline of 6 conversion sites expected to open before end of 2019

### Transformational refurbishments

- Bluewater
- Camden
- Stratford (re-opened in Q2)
- Exeter (re-opened in Q2)

### Franchise openings

- Place de Budapest, Paris
- Mall of Cyprus, Nicosia
- Major refurbishment of Max Euweplein, Amsterdam

### New growth platforms

- Hackney delivery kitchen (opened 29 July)
- First Mamago site expected to open in late 2019



Stevenage



Adjusted EBITDA growth  
year on year

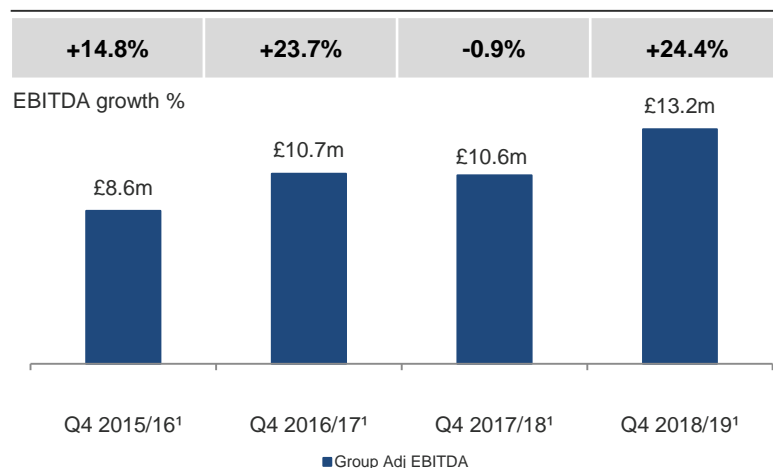
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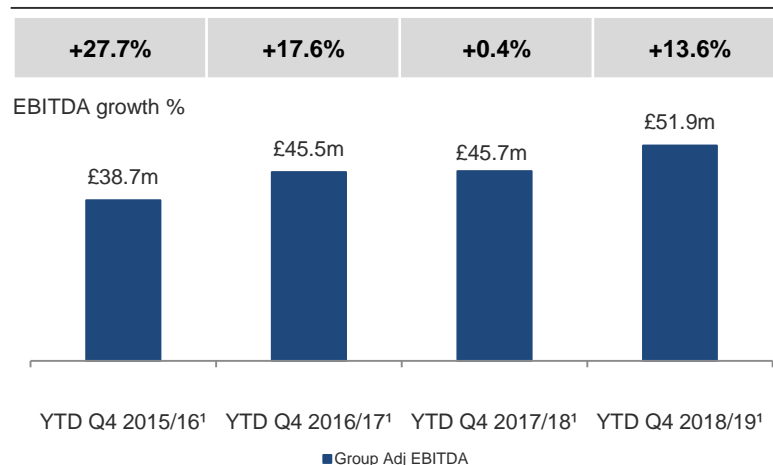
## Adjusted EBITDA growth year on year: Q4 2018/19 Adjusted EBITDA<sup>2</sup> +24.4% against Q4 2017/18

### Q4 – Group Adj. EBITDA (£m, % sales)



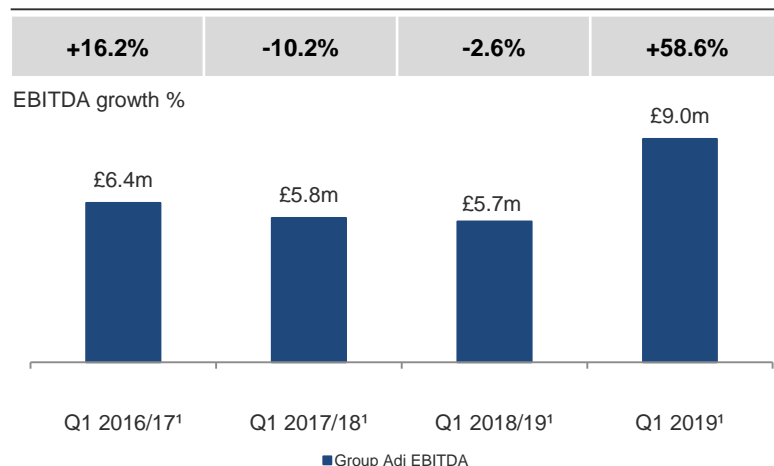
- Group adjusted EBITDA growth of +24.4% vs Q4 2017/18
- 13.6% increase in adjusted EBITDA from YTD Q4 2017/18 to YTD Q4 2018/19
- Continued double digit sales growth together with impact of investments made in people, product and property paying off with strong profit conversion, high customer scores and market leading team turnover
- The Group continues to manage its cost challenges well through operational discipline and the benefit of synergies achieved as part of the wider TRG group

### YTD Q4 – Group Adj. EBITDA (£m, % sales)



## Adjusted EBITDA growth year on year: Q1 2019 Adjusted EBITDA<sup>2</sup> +58.6% against Q1 2018/19

### Q1 2019 – Group Adj. EBITDA (£m, % sales)



- Group adjusted EBITDA growth of +58.6% vs Q1 2018/19 on a 9 week basis
- Strong top line growth combined with operational discipline driving strong conversion, together with synergies achieved as part of the wider TRG group
- 9 week Q1 2018/19 impacted by slower sales during the World Cup and period of extended hot weather

**Note:** Q1 2016/17, Q1 2017/18 and Q1 2018/19 have been restated to 9 weeks to provide comparative information to Q1 2019 which is a short quarter to re-align accounting periods per Appendix C



**Key metrics in line with  
our expectations**

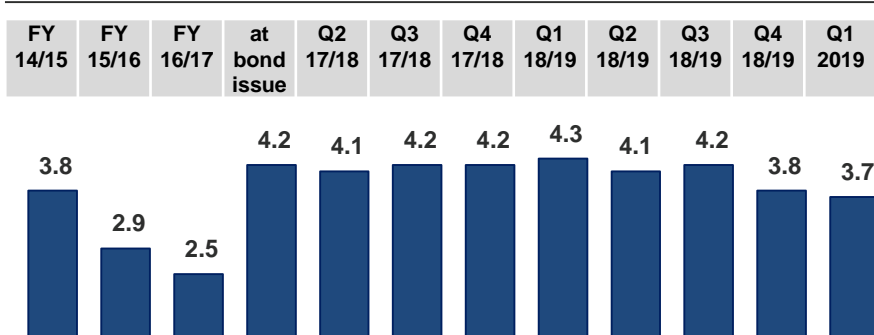
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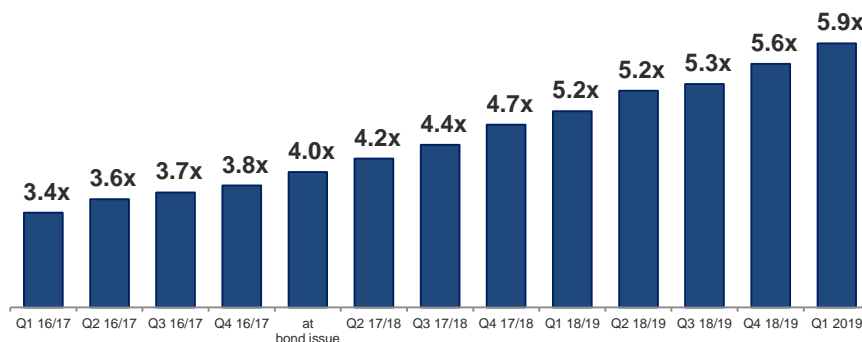


## Key metrics in line with our expectations: capex spend financed from cash

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



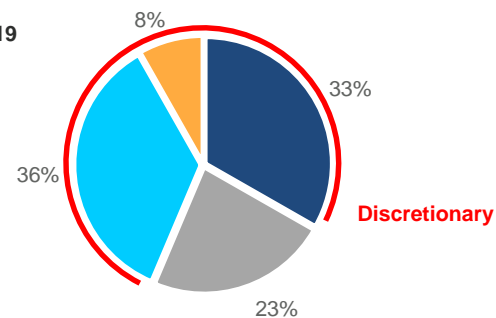
### Interest cover based on LTM adjusted EBITDA<sup>2</sup>



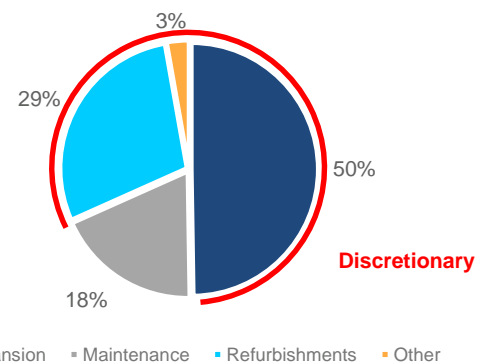
### Capex spend continues to be financed from cash

- £24.1m cash on the balance sheet at Q4 2018/19 and £18.6m at Q1 2019
- Significant proportion of capex spend in Q4 2018/19 and Q1 2019 remains discretionary

Q4 2018/19



Q1 2019



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## Appendices

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## Appendix A: Group revenue

(£m)	Q4 2017/18 <sup>1</sup>	Q4 2018/19 <sup>1</sup>	growth	YTD Q4 2017/18 <sup>3</sup>	YTD Q4 2018/19 <sup>3</sup>	growth	Q1 2018/19 <sup>4</sup>	Q1 2019 <sup>4</sup>	growth
Group revenue	71.1	81.6	14.8%	300.6	342.2	13.8%	52.7	60.6	15.3%
- UK	68.0	77.3	13.7%	287.5	326.3	13.5%	50.3	57.7	14.6%
- USA <sup>2</sup>	2.3	3.5	51.6%	10.1	12.4	22.4%	1.8	2.4	35.0%
- franchise	0.8	0.8	(4.2%)	3.0	3.5	13.4%	0.6	0.5	(18.1%)
UK lfl sales	7.7%	9.5%		7.4%	9.7%		8.8%	12.9%	
US lfl sales <sup>2</sup>	-2.5%	12.0%		3.5%	7.3%		-0.2%	12.5%	
Adjusted EBITDA	10.6	13.2	24.4%	45.7	51.9	13.6%	5.7	9.0	56.4%
% margin	15.1%	16.3%	120 bps	15.3%	15.3%	-	10.9%	15.0%	410 bps

## Appendix B: Adjusted EBITDA reconciliation

£m		Q4 2017/18 <sup>1</sup>	Q4 2018/19 <sup>1</sup>	Q4 YTD 2017/18 <sup>2</sup>	Q4 YTD 2018/19 <sup>2</sup>
<b>Profit/(loss) for the financial period</b>		<b>(10.1)</b>	<b>0.9</b>	<b>(16.6)</b>	<b>(32.5)</b>
add back:	Tax on profit/(loss) on ordinary activities	2.4	1.0	2.9	2.4
	Net interest payable and similar charges	2.3	2.3	10.6	10.0
	Exceptional expenses/(income)	10.1	2.3	22.6	35.3
	Amortisation	2.1	2.3	9.1	9.9
	Depreciation and impairment of tangible assets	3.5	4.0	13.5	16.9
	Loss on disposal of assets	0.5	0.3	0.5	0.7
<b>EBITDA – (Full year and LTM 53 week)</b>		<b>10.8</b>	<b>13.1</b>	<b>42.6</b>	<b>42.7</b>
	Pre-opening costs	0.7	-	3.6	3.9
	Share-based payment charge	0.0	-	0.0	5.0
	Corporate expenses	0.0	0.1	0.4	0.3
<b>Adjusted EBITDA - (Full year and LTM 53 week)</b>		<b>11.5</b>	<b>13.2</b>	<b>46.6</b>	<b>51.9</b>
	53rd week Adjusted EBITDA	(0.9)	n/a	(0.9)	n/a
<b>Adjusted EBITDA – (Full year and LTM 52 week)</b>		<b>10.6</b>	<b>13.2</b>	<b>45.7</b>	<b>51.9</b>

<sup>1</sup> Q4 2017/18 is 13 weeks to 29 April 2018 and Q4 2018/19 is 12 weeks to 28 April 2019

<sup>2</sup> YTD Q4 2017/18 is 53 weeks to 29 April 2018 and YTD Q4 2018/19 is 52 weeks to 28 April 2019



## Appendix B: Adjusted EBITDA reconciliation

£m	Q1 2018/19 <sup>1</sup>	Q1 2019 <sup>1</sup>	LTM Q1 2019 <sup>2</sup>
<b>Profit/(loss) for the financial period</b>	<b>(2.2)</b>	<b>1.3</b>	<b>(28.6)</b>
add back:			
Tax on profit/(loss) on ordinary activities	1.4	0.8	2.8
Net interest payable and similar charges	3.0	1.8	10.1
Exceptional expenses/(income)	1.6	0.2	35.4
Amortisation	3.0	1.8	10.0
Depreciation and impairment of tangible assets	4.8	3.0	17.1
Loss on disposal of assets	0.1	-	0.7
<b>EBITDA</b>	<b>11.7</b>	<b>8.9</b>	<b>47.5</b>
Pre-opening costs	0.9	0.1	3.6
Share-based payment charge	0.0	-	3.9
Corporate expenses	0.1	-	0.2
<b>Adjusted EBITDA</b>	<b>n/a 12.7</b>	<b>9.0</b>	<b>55.2</b>
7 week adjustment (to comparable 9 week period)	(7.0)	n/a	
<b>Adjusted EBITDA (9 week comparable)</b>	<b>5.7</b>	<b>9.0</b>	<b>55.2</b>

## Appendix C: Amendment to the reporting calendar

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

Quarter	Current 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 2019	12	30 September 2019 – 29 December 2019	13	



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Thank you

