



Investor Presentation
24 February 2016

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Use of non-UK GAAP financial information

This document contains references to certain non-UK GAAP financial measures. For definitions of terms such as “ebitdar”, “rent expense”, “ebitda”, “ebitda margin”, “adjusted ebitda”, “adjusted 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-UK GAAP financial results presented in this document and the corresponding UK GAAP measures, please refer to appendix a. 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.



Investment highlights

an attractive market

-

a well established brand

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in a category of one

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stable and resilient business model

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well-invested restaurant portfolio

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highly cash generative

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experienced management, committed staff



Overview

1. Strong Q3 2016 and progress on key metrics, leverage down to 3.1x
2. Continued strong sales momentum in Q3 2016 and underlying EBITDA % improving
 - total revenue growth +17.3%
 - UK LFL in Q3 2016 +11.9%
 - Adjusted EBITDA % up to 19.1% in Q3 2016
3. Traded ahead of the competition for 91 consecutive weeks¹
4. Margins strong and continue to grow
5. Strong free cash flow
6. Continued measured roll-out
7. Further strengthened management team



Q3 2016 is 12 weeks spanning 09 November 2015 to 31 January 2016

¹ the peach tracker group as of 14 February 2016

1. Strong Q3 trading and continued strength in key metrics

	Q3 2016 ¹	Year to date 2016 ¹			
Underlying free cash flow ²	£10.4m	£30.1m			
Underlying cash conversion ³	99.1%	100.2%			
Net debt ⁴	↓ down to £115.7m				
LTM adjusted EBITDA ⁵	↑ up to £37.6m				
	Bond issue	FY 2015	Q1 2016	Q2 2016	Q3 2016
Leverage ⁶	↓ 4.5x	3.8x	3.7x	3.3x	3.1x

¹ Q3 2016 is 12 weeks to 31 January 2016 and Year to date 2016 is the 40 weeks to 31 January 2016

² adj. EBITDA less maintenance capex, +/- changes in net working capital (adjusted for £3.0m of one-off fees, principally re-financing)

³ underlying free cash flow / adj. EBITDA

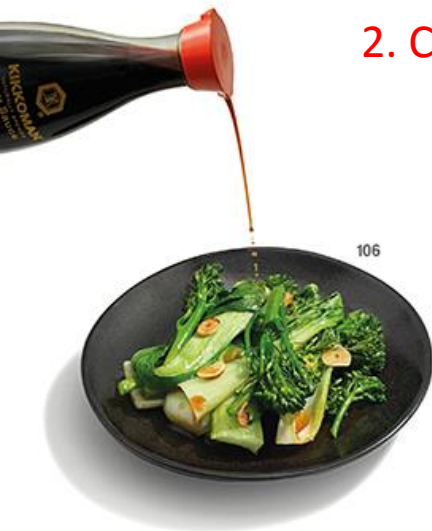
⁴ net debt represents total debt less cash. At the time of re-financing, Q3 2015, net debt was £121.2m

⁵ last twelve months, see appendix A for reconciliation of EBIT to adjusted EBITDA

⁶ leverage: net debt / LTM EBITDA

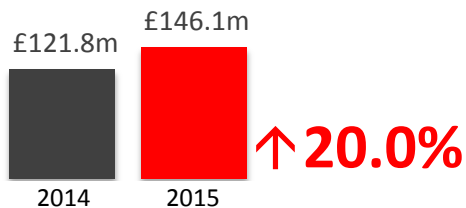


2. Continued strong sales momentum and underlying EBITDA % improving

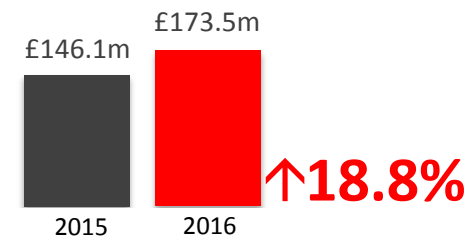


Turnover³

Year to date 2015¹



Year to date 2016²



UK LFL sales

+10.6%

+12.2%

adj EBITDA margin

15.5%

17.3%

further detail in appendix B

¹ Year to date 2015 is 40 weeks to 01 February 2015

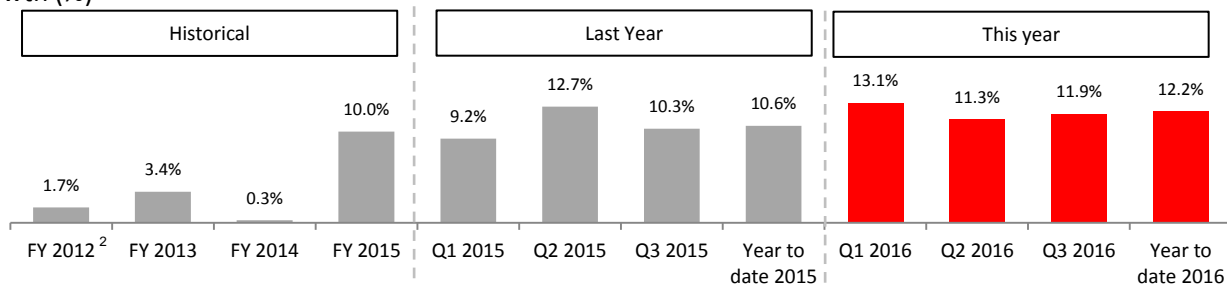
² Year to date 2016 is 40 weeks to 31 January 2016

³ Turnover of company operated restaurants, excluding franchise revenue

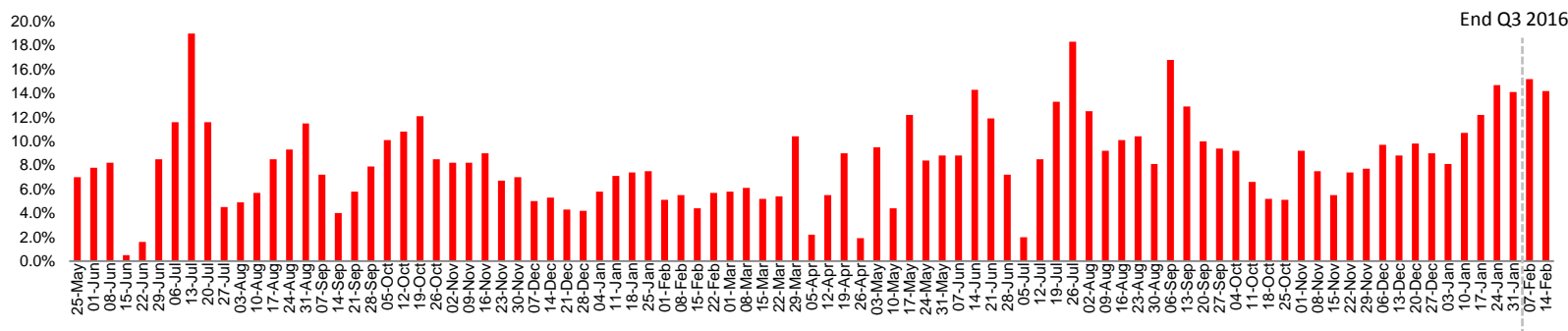
3. Traded ahead of the competition for 91 consecutive weeks¹

- Growth being driven by a combination of covers and average spend per head
- Strong performance both inside and outside London
- Deliveroo, now in 67 restaurants and delivering strong sales and profit growth

UK LFL sales growth (%)



UK LFL sales growth: percentage point difference to peer group³



¹ to 14 February 2016

² 53 week adjusted LFL, other periods are based on comparable 52 weeks

³ wagamama actual LFL sales growth % versus Peach restaurants reported sales growth %

Source: Data from Coffer Peach business tracker (as of 14 February 2015) 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), Azzurri Restaurants (Zizzi, ASK), Wagamama, YO! Sushi, Carluccio's, Living Ventures, Strada, Gaucho, TCG, La Tasca, Giraffe, Byron, Gaucho and Le Bistrot Pierre.

4. Margins strong and continue to grow

- Procurement improvements fully embedded
- New initiative underway on maintenance spend
- Labour scheduling has driven better controls and visibility
- Deliveroo is a strong cash sales and profit driver, (lower margin %)
- National Living Wage: actions mitigate cost. no material change in labour %
 - modest pricing increase in April 16
 - continued and improving use of smart rotas
 - new initiatives to reduce staff turnover, a major cause of costs
 - development of our in-house apprenticeship scheme
 - re-design of our restaurant management structures
 - use of technologies (such as qkr payments app) to streamline our processes



5. Strong free cash flow

- improvement in net debt driven by trading performance and includes £7.8m of new site capex spend

(£m)	Q3 2015	Q3 2016	Year to date 2015	Year to date 2016
adjusted EBITDA	7.7	10.5	22.7	30.1
maintenance capex	(0.7)	(0.4)	(1.9)	(1.4)
change in net working capital ¹	0.7	0.3	1.9	1.4
free cash flow ²	7.7	10.4	22.7	30.1
free cash flow %	100.2%	99.1%	100.1%	100.2%
new site capex	2.2	1.7	5.2	7.8
refurbishment capex	0.1	0.6	0.7	1.2

(£m)	LTM ³ adjusted EBITDA	Net debt	Ratio
as at 31 January 2016	37.6	115.7	3.1x

¹ Year to date 2016 and Year to date 2015 both adjusted to reflect movement in one-off fees relating to the refinancing.

² adjusted ebitda less maintenance capex, +/- changes in working capital adjusted per ¹ above

³ last twelve months, see appendix A for reconciliation of EBIT to adjusted EBITDA



6. Continued measured roll-out

Building a global brand

- 123 company owned restaurants at the end of Q3 2016
- 119 company owned restaurants in the UK at the end of Q3 2016
- 158 total restaurants in 18 markets at the end of Q3 2016

new UK openings FY16 to date

Great Marlborough Street
Trowbridge
Glasgow Fort
Gatwick North
Winchester
Coventry
Trafford Centre
Gatwick South
Newport

opening 29 February 2016

Bridgend



new franchise openings FY16 to date

Amsterdam
Manama (Bahrain)
The Palm (Dubai)
New Lynn, Auckland
Bratislava (Slovakia)



Gatwick South – open 10 November 2015



Newport – open 11 January 2016



New US site – New York City

- Lease signed, prime location with frontage on both 5th Avenue & Broadway
 - Flatiron/Nomad between 25th & 26th



- Building foundations for extension of brand through company owned restaurants
- Extensive market research identified New York City as high potential
- New York City flagship planned for September 2016
 - Top UK Operations team
 - Strong local support, e.g. real estate, marketing
- Costs (exceptional) to date £0.3m

7. Further strengthened management team

- Two new appointments to executive management team



Sarah Hills – takes over as Operations Director

- 15 years wagamama operations experience
- Started as Front of House Manager, Assistant General Manager, then General Manager in London
- Area Manager for London from 2006
- Regional Director for all restaurants outside of London from 2012
- Only 3rd Operations Director in almost 24 years



Stephen Boyce – new appointment as Property Director

- 25 years multi-unit property experience
- Currently Head of Property for Arcadia – where he has been for 3 years
- Prior to that, Head of Property for Sainsbury's Convenience Division
- Property Director for Phones 4U, also at Game, Gap and others
- Will take on all property responsibilities globally; acquisition, construction, refurbishment, maintenance and estate management

x/xx Years at wagamama / in industry

Summary

1. Strong Q3 2016 and progress on all key metrics, leverage down to 3.1x
2. Continued strong sales momentum and underlying EBITDA % improving
3. Traded ahead of the competition for 91 consecutive weeks
4. Margins strong and continue to grow
5. Strong free cash flow
6. Continued measured roll-out.
7. Further strengthened management team

Appendix A – Q3 2016 – adjusted EBITDA reconciliation

£m		Q3 2015 ¹	Q3 2016 ²	Year to date 2015 ¹	Year to date 2016 ²	LTM ³
EBIT		1.6	5.3	6.7	13.5	6.7
add back:	depreciation and amortisation	4.0	4.3	13.8	13.8	18.0
	opening costs	0.5	0.5	1.0	2.3	2.3
	exceptional costs	1.5	0.3	1.0	0.3	10.3 ⁴
	board fees	0.1	0.1	0.2	0.2	0.3
adj. EBITDA		7.7	10.5	22.7	30.1	37.6



¹ Q3 2015 is 12 weeks to 01 February 2015 and Year to date 2015 is the 40 weeks to 01 February 2015

² Q3 2016 is 12 weeks to 31 January 2016 and Year to date 2016 is the 40 weeks to 31 January 2016

³ last twelve months

⁴ £10.0m non-cash, £0.3m cash

Appendix B - strong third quarter

(£m)	Q3 2015	Q3 2016	growth
Group revenue	47.3	55.5	17.3%
- UK	45.7	53.6	17.3%
- USA ¹	1.2	1.5	25.0%
- franchise	0.4	0.4	-
UK lfl sales	10.3%	11.9%	-
US lfl sales ¹	0.8%	14.7%	-
Adjusted EBITDA	7.7	10.5	36.3%
% margin	16.4%	19.1%	270bps
% margin ²	17.0%	19.3%	230bps

Year to date 2015	Year to date 2016	growth
147.4	174.8	18.6%
142.1	168.9	18.9%
4.0	4.6	15.0%
1.3	1.3	-
10.6%	12.2%	-
6.9%	8.1%	-
22.7	30.1	32.6%
15.5%	17.3%	180bps
16.0%	18.0%	200bps

¹ includes impact of fluctuations in exchange rates. US LFL sales are shown on the basis of USD sales

² excludes incremental management incentive charges, reflecting significant over-budget performance



 **wagamama**