

Investor Presentation

1 March 2018
Quarter 3 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, featuring a small red star above the 'a', is positioned in the upper right area of the image.

wagamama

food to make
you feel good

Disclaimer

Forward-looking statements

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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 strong and outperforming the market
2. Q3¹ total sales growth of 12.4%
3. Investing in our brand
4. Affordable investment to drive continued success
5. Adjusted EBITDA continues to grow
6. Improvement in key metrics since bond issue



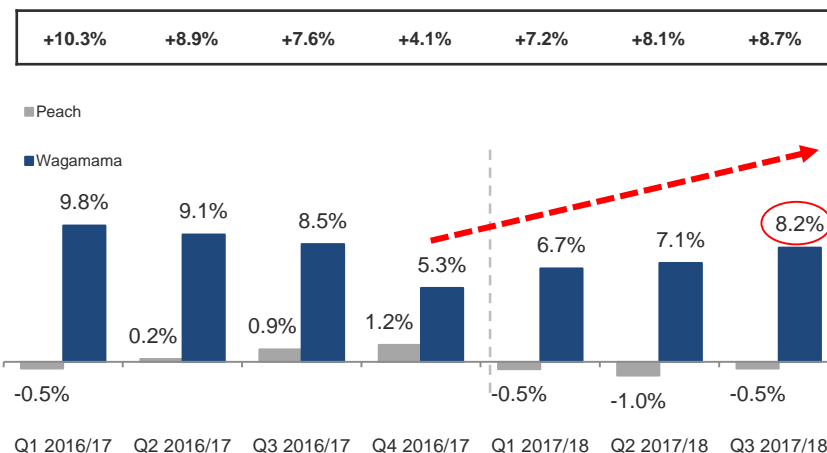
1. LFLs strong and outperforming the market



LFLs strong and outperforming the market: 8.2% UK LFL in Q3

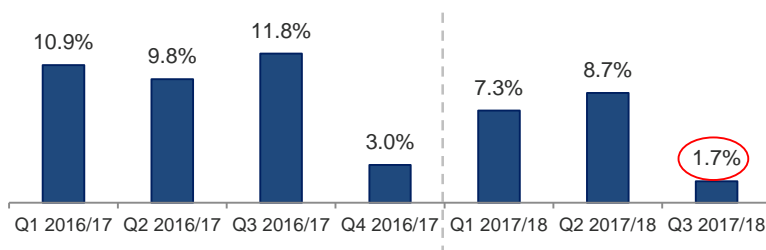
UK LFL¹ growth (%) vs peer group² continues into Q3

Differential vs the market



- Strong Christmas trading
- Q3 UK LFL gap to the market widened to 8.7%
- Traded ahead of the competition for over 3 years – 46 consecutive months (197 consecutive weeks)

USA LFL¹ restaurants continue to show growth (%)



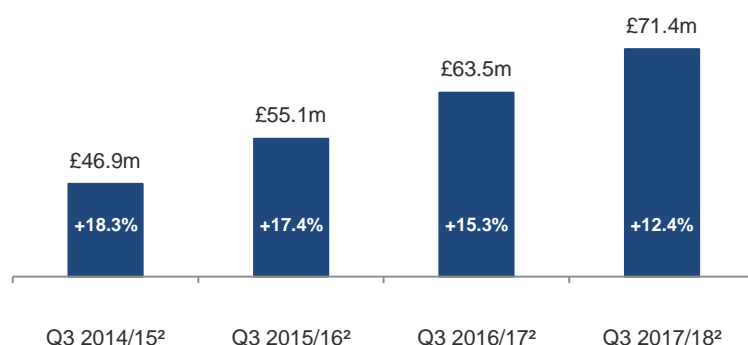
- USA LFLs continue to show growth at 1.7%
- Q3 growth of USA LFL impacted by extreme weather in Boston

2. Q3 total sales
growth of 12.4%

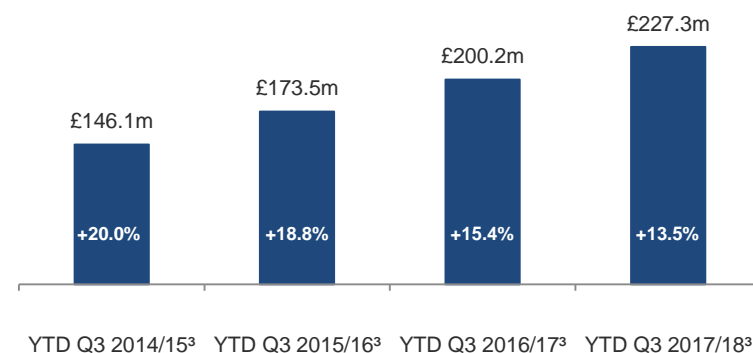


Q3 2017/18 sales growth of 12.4%: Track record of double digit sales growth continues

Group total sales¹ (£m) and growth (%) – Q3



Group total sales¹ (£m) and growth (%) – YTD Q3



- Sales growth of 12.4% in Q3 17/18 and 13.5% in YTD Q3 17/18
- Driven by both strong LFL growth and opening of a further 8 restaurants in YTD Q3 17/18

3. Investing in our brand



Most admired
company or brand



Best company
(50 sites plus)

wagamama



Investing in our brand: driving future LFL growth and profitability

Underlying EBITDA growth is allowing us to continue to invest in our brand:



Training and people

- Step change in attraction and improved retention of quality team members – wagamama seen as a good place to work by our teams (Glassdoor score of 4.1¹)
- Enhanced investment in training and development of our teams



Product

- Highly successful vegan menu introduced
- Further invested in and improved the quality of our dishes
- Ever stronger links and knowledge of all suppliers



Refurbishments and maintenance

- Increased discretionary maintenance spend across the estate in Q3 ensuring our estate is in good condition both back of house and in customer facing areas
- 21 discretionary refurbishments completed in Q3 2017/18 YTD enabling us to add long term value to the Group



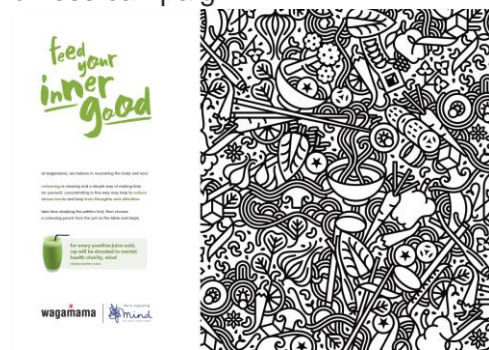
Marketing

- Launch of first vegan delivery menu with Deliveroo
- Successful chef collaborations driving social media reach



spreading positivity from bowl to soul

- A series of sustainability projects delivered with more initiatives in the pipeline for 2018²
- Beneficial collaboration with the 'Mind' charity on mindfulness campaign



4. Affordable investment to drive continued success



Affordable investment to drive continued success: 8 company and 8 franchise openings in Q3 YTD

Openings in Q3 YTD

- St Peters Manchester
- Leeds White Rose
- Bedford
- Cheltenham
- Bracknell
- Reigate
- Colchester (Q4)
- Seaport, Boston
- East Village, New York



Reigate



East Village

UK refurbishments in Q3 YTD

- Wandsworth
- Leeds Trinity
- Leicester Square
- Nottingham
- Cambridge
- Ashford
- Southampton
- Camberley
- Basingstoke
- York
- Harrogate
- Spinningfields
- Guildford
- Media City
- St Albans
- Norwich
- Livingston
- Citypoint
- Oxford
- Cardiff Library
- Milton Keynes
- Royal Festival Hall

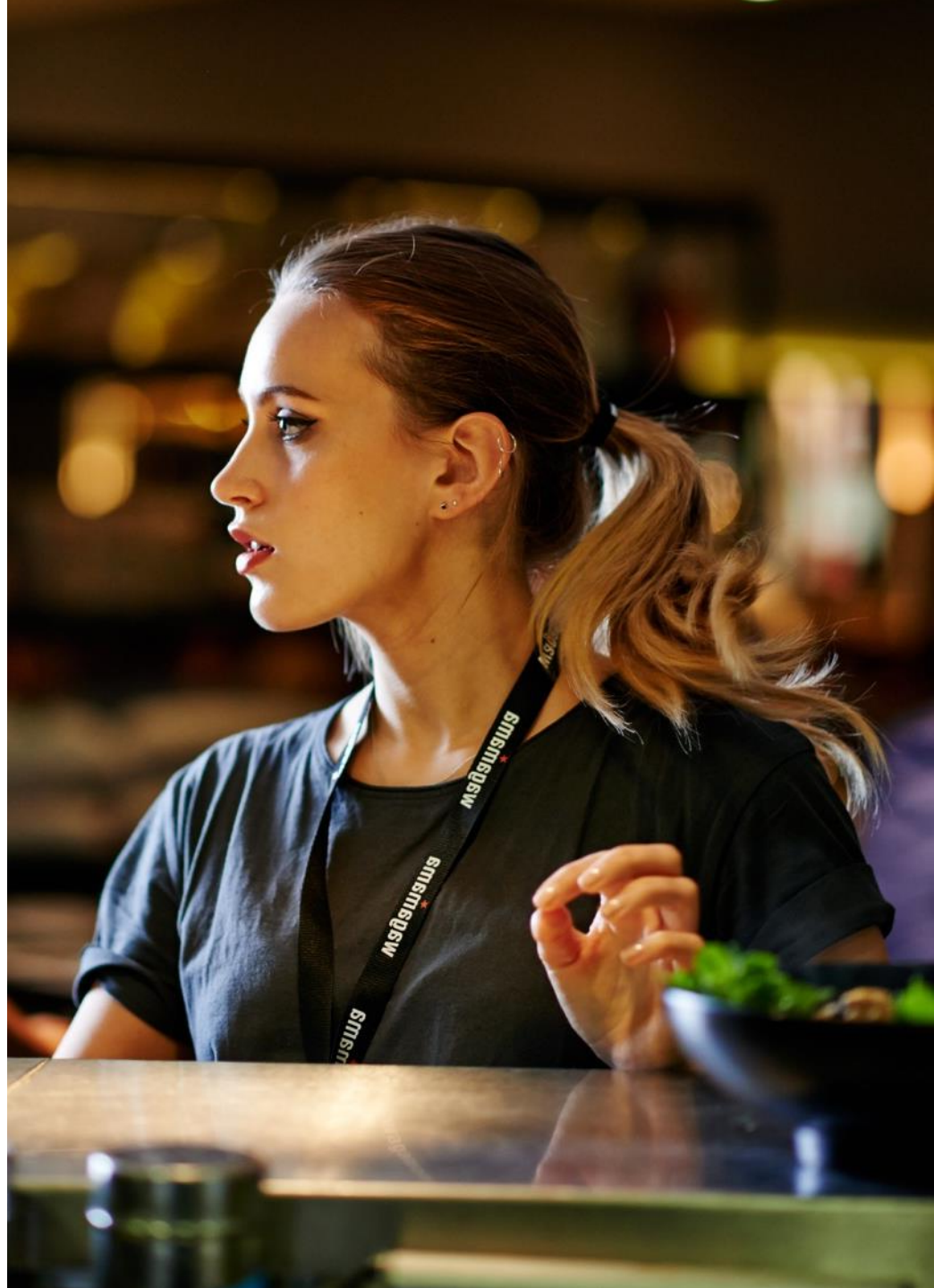
Franchise openings in Q3 YTD

- Bergamo
- Genova Madrid
- Jeddah
- Parquesur Madrid
- Plaza Rio Madrid
- Doha Festival City
- Qurum
- Malpensa
- Dubai Mall (Q4)
- Parndorf (Q4)



Dubai Mall

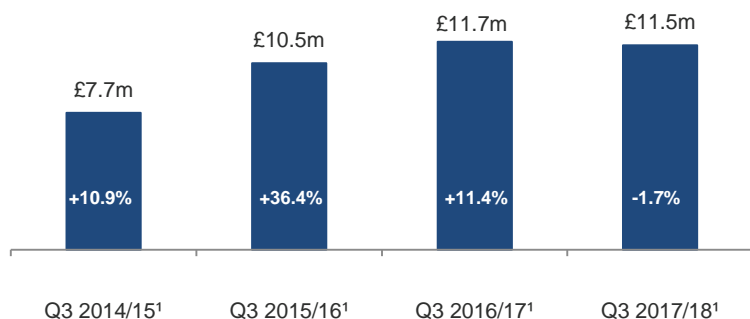
5. Adjusted EBITDA continues to grow



Adjusted EBITDA continues to grow: YTD Q3 +0.9% against last year

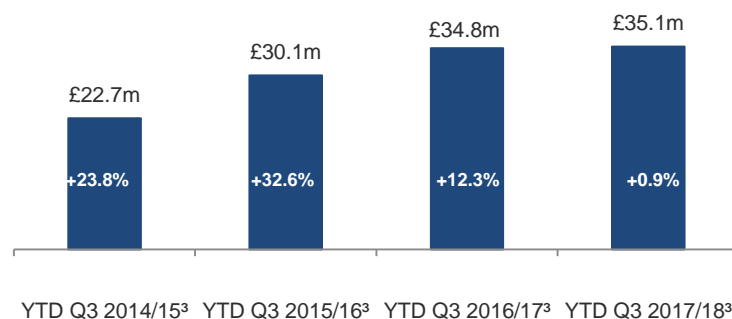
Q3 – Group Adj. EBITDA (£m, % sales)

Adj. EBITDA Margin %	+16.4%	+19.1%	+18.5%	+16.1%
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YTD Q3 – Group Adj. EBITDA +0.9% (£m, % sales)

Adj. EBITDA Margin %	+15.5%	+17.3%	+17.4%	+15.4%
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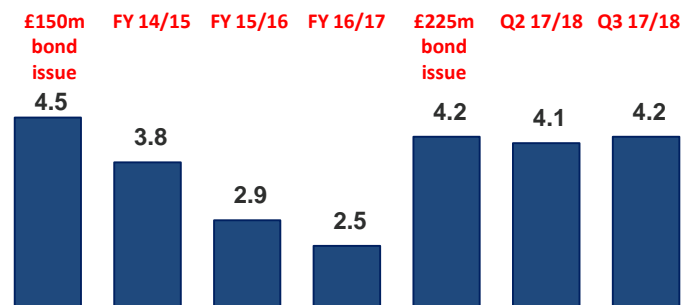
- Absorbed our discretionary brand building investments, including closure periods for restaurant refurbishment
- Business continuing to manage the challenges of:
 - National Living Wage
 - Business rates increases
 - Supply chain costs
- U.S. investment phase continues to impact margin

6. Improvement in key metrics since bond issue

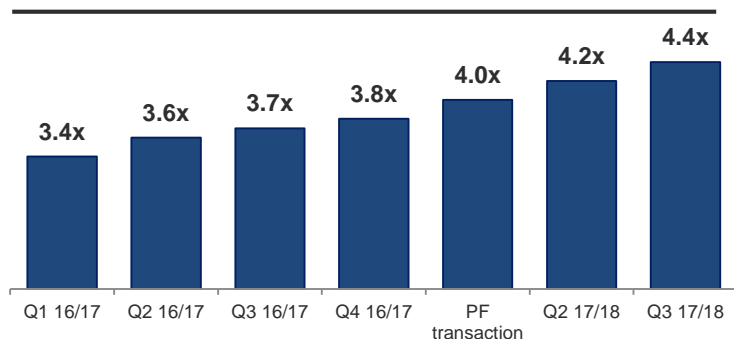


Improvement in key metrics since bond issue: capex spend financed from cash

Leverage¹

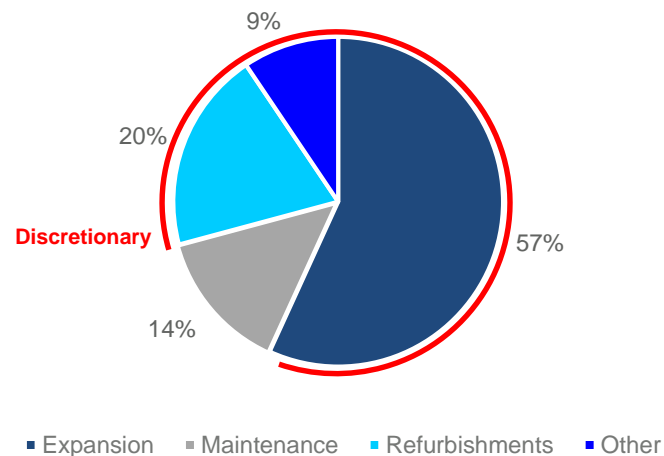


Interest cover based on LTM adjusted EBITDA²



Capex spend of £24.8 m in YTD Q3 financed from cash

- Highly cash generative
- £27.8m cash on the balance sheet
- 86% of capex spend in YTD Q3 17/18 remains discretionary



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Appendices



Appendix A

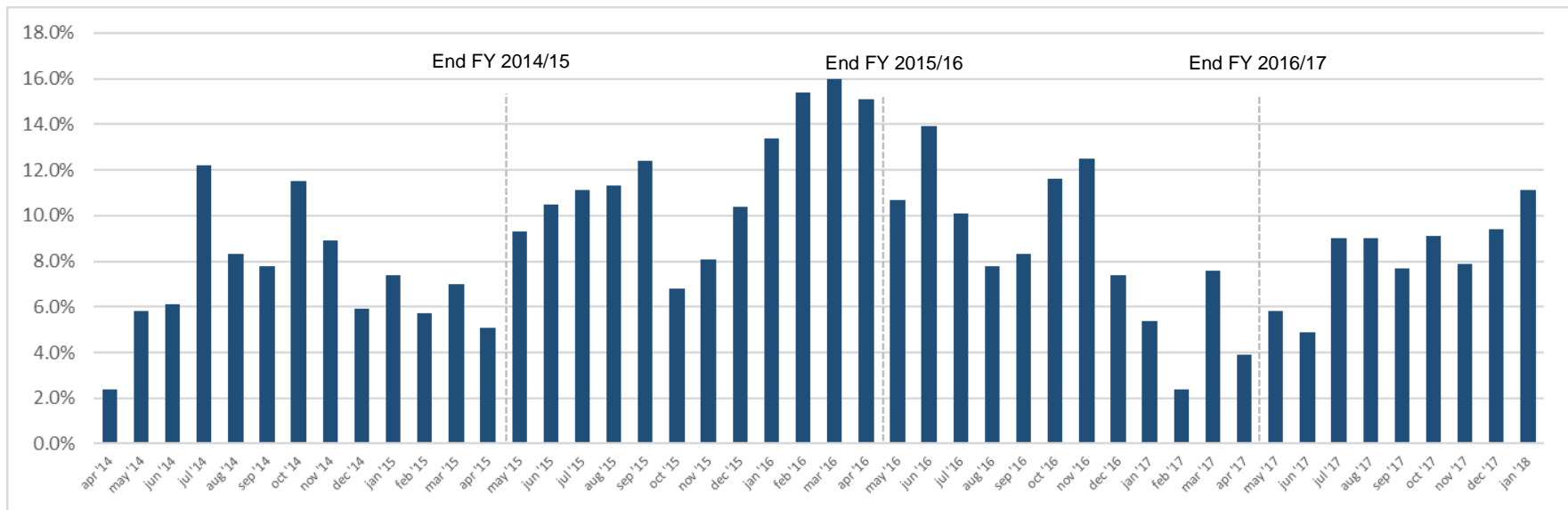
(£m)	Q3 2016/17 ¹	Q3 2017/18 ¹	growth	YTD Q3 2016/17 ³	YTD Q3 2017/18 ³	growth
Group revenue	64.1	72.1	+12.5%	202.2	229.5	+13.5%
- UK	61.0	68.8	+12.8%	194.4	219.5	+12.9%
- USA ²	2.5	2.6	+4.0%	5.9	7.8	+32.2%
- franchise	0.6	0.7	+16.7%	1.9	2.2	+15.8%
UK lfl sales	8.5%	8.2%		9.2%	7.3%	
US lfl sales ²	11.8%	1.7%		10.8%	6.0%	
Adjusted EBITDA	11.7	11.5	-1.7%	34.8	35.1	+0.9%
% margin	18.5%	16.1%	-240bps	17.4%	15.4%	-200bps

Appendix B: Adjusted EBITDA reconciliation

£m	Q3 2016/17 ¹	Q3 2017/18 ¹	YTD Q3 2016/17 ²	YTD Q3 2017/18 ²	LTM ³ Q3 2017/18
Profit/(loss) for the financial period	1.8	1.7	4.4	(6.6)	(5.6)
add back:					
Tax on profit/(loss) on ordinary activities	1.1	1.0	2.4	0.6	2.1
Net interest payable and similar charges	3.0	2.3	9.9	8.3	11.4
Exceptional expenses/(income)	0.0	0.1	0.6	12.5	11.2
Goodwill amortisation	2.1	2.1	7.0	7.0	9.1
Depreciation and impairment of tangible assets	2.6	3.2	7.8	10.0	13.4
Loss on disposal of assets	0.2	0.0	0.3	0.1	0.3
EBITDA	10.8	10.4	32.4	31.9	41.9
Pre-opening costs	0.9	1.0	2.3	2.9	3.6
Corporate expenses	-	0.1	0.1	0.3	0.3
Adjusted EBITDA	11.7	11.5	34.8	35.1	45.8

Appendix C: Consistent UK LFL² outperformance of the market for 197 consecutive weeks

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



¹ to January 2018
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

Appendix D: our commitment to sustainability

A series of sustainability projects have been delivered this year, including:



- All electricity for the restaurants is now from renewable sources
- 75% of restaurants have LED low energy lighting installed



- 98% of restaurants segregate waste for appropriate recycling
- Food waste from our restaurants goes to energy generation rather than landfill



- All of our takeaway packing is recyclable



- Water flow management in all sites saving 28 million litres of water per year



- Consolidated distribution reducing delivery miles



- No straws served in drinks with the exception of biodegradable straws in our fresh juices



- Free range eggs

**Member of the Sustainable
Restaurant Association**



**thank
you**

wagamama

wagamama

**food to make
you feel good**

