DMP Investor Day - April 12, 2024

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Welcome, everybody. Welcome to Brisbane and welcome to our D Lab.

Today you're going to hear from a number of different people we're going to hear from Michael Gillespie is our Chief Commercial Officer. So Michael today looks after our new area of shared services, which is a support office based out of Malaysia and another one out of Krakow in Poland. He also looks after all technology so all digital and all related and roll rolling up marketing because so much of marketing now has a digital footprint for our business. John Harney, we have a video with John Harney. John is our Chief Partnerships Officer. But John also looks after ESG so ESG reporting to John and I still chair ESG but just from the amount of intensity and because of a lot of learning development of Europe where John is based today. He now heads it up and he also looks after all of the compliance parts of our business from food safety, so it's independent from our operations team, they're not marking their own homework. He looks after all of the food safety, all of our team member safety and also the audits of our stores for make sure the money gets into the business. So getting rid of any sort of black money around the world. David is our Chief People And Culture Officer. So you know, 120,000 team members approximately across the globe, and all of that rolls up into David. And then Martin Steenks. Many of you know, is the CEO of Japan. Martin has a video. David's here today. Michael's here today, Nathan and I. But Martin will also come in a little later for Q&A.

So from a bigger picture perspective, what we're going to be talking a lot about today is our strategy. You know, one of the most obvious thing for any business is why does it deserve to exist? Why does it deserve to exist in 2024? And why does it deserve to exist in 2033? What is it about that business that is focusing on its strategy, and how does it differentiate or is it just getting commoditized and equalized into just averageness but if I just start from where we sit today, our business network sales is up about 55% in the last five years, our store count is up 58%. And what's really important to us, as you'll hear a lot about today is our delivery count is up 63% Over that time now it's our beliefs from what we track and as we tried to look into the future that we think about half of all retail will be delivered by somewhere, just post 2030. And that's really important to us because that's what we really focus heavily on. It's what we were born in as a business in the business the brand is now 64 years old around the world.

You're 40 years old here in Australia, and it's been for most of our life, the core focus of the business, but it's still when we think of QSR around the world is how we really specifically think that we can differentiate when we look at total global food delivery now that includes grocery in 2024 was approximately about 1.2 trillion US dollars or $2 trillion. It's been growing at about 10% annually, and in the specific market that we compete in. meal delivery is currently about 600 billion US or just under a trillion US dollars around the world.

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And for all of the growth that we've had in recent years. And considering in many of these markets, including Germany and France, where we have a real sizable market leadership, we still are very under penetrated in many, many parts of the world. For example, we only cover about approximately 30% of Germany and France as as large geographies of our business as two examples. And specifically when you look at QSR for as big as we can be in pizza, because in an almost every market where the leader in pizza, you know, we're still quite small and QSR you know, when you look at the Three Jewels in our future Crown or France, Germany and Japan well less than 1%, or even less than half a percent of QSR. And even in the most penetrated, and pretty well one of the most penetrated major markets in the world being Australia, we're still only about 5% of QSR in Australia and 3% in in the Netherlands in New Zealand as other penetrated markets that we've been in the longest.

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What I do like about that is that what's interesting is that we were the fifth largest QSR in Australia up until the last couple years and we're now the fourth largest QSR so we exceeded the network sales of subway in Australia and we're fourth behind Burger King Hungry Jack's KFC and McDonald's. But it still shows you know how small we really are in the size of the market. So to to a lot of people. The reality is 51% of all pizza consumed in Australia is a Domino's Pizza and we are still growing our market share in the in the in the last two quarters. We don't have the summary of the market quarter yet, but if the last few quarters up to December, we were the fastest growth pizza company as well in total sales in customer count, and and and share. In fact, our next nearest competitor will grow a third of their sales this year, their total sales just in our growth this year. And put that into perspective. We're going great and pizza really small in QSR. And ironically, in most Western markets around the world pizza is either one or two in market share for the for total QSR in Australia is number three. So for the history of Australia, we've underperformed as an industry. And what is unique at the moment is for the first time that I can remember, both the two biggest pizza companies are growing, which I think is healthy for the category, be it we're growing from different customers. And then when we look at it, you know, on a global perspective, we're a minnow we're still quite tiny despite and as an ASX business in volume of network sales. It's significant, we're still quite small around the world. And we see a lot of opportunity in that.

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So we've shared this over the last couple of years at our ATMs and in our market updates. And it really helps focus us as a business, you know, our mission is that we want to be the dominant sustainable delivery QSR and every market by 2030. So it's really, it's really pointed and really focus. For a lot of our history, when we weren't as focused, we would increase the size of our store footprints. And we're putting tables and chairs. And we even did drive throughs in some markets. And we drove up the operating costs of our business as we were just dominating in pizza. But today, and it's been that way for the last two, three years, we've really gone back to our roots. And I want to show you how we specifically interpret it in every element of the business. And that's largely what Australia's what this presentation is about today. And an update today is that you know, we don't we can't do as good a job in an AGM and so on the amount of time we have, but to really specifically show how we think we differentiate and and why we think we're dominant. So the three things that you're gonna hear a lot about today is our food, our brand, and our people. Now, this is a bit of an eye chart. And as a result of that, I'm going to break at every component. But on one page, this is the strategy paper internally,

which is global. The bottom one for meal occasions is a lot more Australian focus just because we can relate you to it today. But everything in this from the four areas above from the mission, our inspired product mentality, the way we think about designing to deliver how we measure it all in operations. And, and we're so data rich, it's an amazing, you know, there's things that I know today that I wish I knew 30 years ago, and we would be even a much bigger business. And it's just from the data that we now get about our customers, and it's consistent around the world. So it's global data. And it's ironic that what inspires us. And we also know this from outside of DPE, because we get to see some comparisons in other major Dominos markets, that the triggers are almost identical around the world. And that's why it's a global strategy, and then applied in a local way with with products and some of the services. So let me break this out and explain it piece by piece. So one of the benefits of the restructure last year in our business, which was still consuming, and we'll talk a bit about that later, was that the realization that, you know, for about a five year period, I felt like a consultant on our business. As much as you know, as a Group CEO. The business was specifically run by all the CEOs around the world. And once I'd relinquished my exposure directly in the Australian business on a day to day basis,

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it's hard to sometimes understand why the plumbing is not working, it's hard to get an empathy if you're not physically working in some of these teams, if you're a customer, or a partner with some of the other teams that work in our business as it's got significant. If things are not getting the right result, you're not really it's hard to get empathy and understand why. So coming back in and double heading as the Zed CEO and the Group CEO, having the time of my life in Australia, New Zealand business. And one of the first things I started walking around the business with, you know, I have a lot of dinners at my house, where you can just, you know, we sit with franchise partners and leaders and team members around the business or at visiting stores or the amount of time in this office in this room, crunching out and getting everybody back on the page of a mining and the business that we're in. And we're a retailer, but specifically we're in the business of creating inspired products and services. So if I just put a very generic retail lens on this in traditional retail and I know it's much more dynamic today, but if we just think simplistically, because it still gets applied if you want to complicate it is that in the retail fashion business, a typical fashion retailer would launch four seasons a year. If they nail it they

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They'll out. If they don't they discount it to move to the next to train, you know, they move it through the business. Or if they're a luxury brand, they, they destroy it, if it's a, and that's really, really important because we're no different to that. And if you're a car retailer, once again, a little bit of out of touch with how fast the Chinese are moving. But a traditional car retailer has bought a car platform for about seven, seven and a half years, they nail it, it's full price, there's waiting lists. And as huge margins, you get a trash car that nobody wants you putting lipstick on a pig for the next seven years. And it's you're losing a lot of money on that platform, but you just got to discount it and try to make it look a little bit better and and fix it. But that's retailing, when you now retailing yourself at full price, good margins. Now for most of our last decade, we were extremely competitive in pioneering services. So we were the first in major QSR to come out with with Digital and Web of scale, first, second pizza business registered in the App Store globally. And, and you know, we really develop that whole mindset of a pizza store in your pocket. And that was a competitive advantage with you know, in this lot this building, building up the road in Albion, where we invented pizza tracker, which was the first of its kind. And we've even for

Uber, we're doing GPS, driver tracker, and all these sorts of services, they were inspiring services, and they really connected with the consumer. And they gave us a lot of competitive advantage. We wake up in 2024, it's still a major focus for us technology, especially in marketing today, the what the information and and also you'll hear from Michael about what we call the leaky bucket is that every customer counts, and digital and technology helps us with conversion and adding more customers and make sure that we can if we ever lose a customer that we can try and recover. So it's still an important part of our business and specifically delivery time. And convenience and speed of service is still very much digitally supported. But what we're really focusing heavily on is a differentiation product, which we haven't done as much of in recent years. And one of the things that you're going to see from us is that it may look like these products, to especially many of you that they're really cheap. And I often read reports with Simon Says Domino's is doing even more discounting, which is really genuinely not true. It's just that that's a great value perception that we're giving the market. Because when we launch something like that cheesy volcano there for $10, it's $10. It's $10. It's $10. It's $10. And it's on the most rarest extreme, we can't control over our franchise partners, we don't discount it, it's great value. It was researchers it was tested, and it's launched at 10 bucks, it's highly desirable to a great penetration, it's got phenomenal margin. And we've done that a lot in the last 12 months, specifically here and it's rolling through into other businesses. But you see the Domino's my box, you really ever see that discounted. It looks like it's amazing value on a constant basis. It's got phenomenal penetration in our business. And these are some of the highest margin products we've ever launched in our history. And that is our commitment with our franchise partners, our franchise partners is that if we like any other fashion retailer, or any kind of retailer, if we launch inspiring products that resonate with customers, we shouldn't have to discount them. However, if we do not, if we deliver uninspiring products, then we will end up discounting him. And there are two parts to that. It's up, it's our responsibility be creating these inspired products for all of our research and innovation and so on. But we have to make them inspiring in a store. Because in our measures, you know, if we engineer something that's too complicated, or just a team is underperforming, and we execute it uninspiring, which can happen, then it's still we look at our stores, and you can see the best stores to our lowest performing stores. The lowest throwing stores to connect with the customers have to do more discounting and the highest performing stores do less discounting, and are just able to perform very well on these inspiring products. So that's what we're constantly selling the business to our team is that it's the job of of in we talk about our partnership with our franchise partners, it's our job to bring high margin inspiring products and services to the business. And it's the role of our stores, whether it be corporate operations or a franchise partners to execute them in an inspiring way. And of course, we've still got to be able to give him the systems to do so. And technology plays a part in that. So how do we interpret that practically in the business? So I was sitting in this room yesterday with the IPD team uninspired product team. And every product runs through this triangle and the Australian product triangles well out into 25 and conceptual 26 at the moment so pretty well everything to the end of this year and early into next year is tested. And I put a little caveat in that we are retailers and we may be testing in a window where things can change and therefore that product may have been tested for example in a an aggressive discounting window like we saw in Australia in January to March with the burger players as trying to recover some of their lost customers, particularly one burger player. Now that in that if you're testing in the environment, but you launch a product in a less discounting bar, you can get a different result, right. So as much as we've tested our products, we're constantly looking into the future when When do they actually launch. And typically, we have a segmented menu. And we may prioritize part of that segmentation based on the market we think we're entering, because it can shift the data and the stats and the statistics. But when we sit in an MPD meeting, and a product's brought up on the screen as a conceptual idea, the first thing is that the obsession around how it's designed to be delivered, everything, it's pointless, any of us looking at a product came straight out of the oven, because none of our customers eat pizza straight out of the oven. Our customers eat our pizzas that are three to 10 minutes old is the typical average time in there. And, and we have a look at performance around the 1520 minutes as well. You know, very different to a dry, free customer very different to somebody who's sitting inside a fast food restaurant where they're getting the product sitting right down. So for us, we've got a, you know, when we're sitting in here, the products are 1015 minutes old, and then we're judging certain characteristics. But we're obsessed. And you're gonna see that in a minute. Because you really, really can tell as an example, just in packaging, and you'll you'll feel and see the Domino's obsession that the second thing we ask ourselves is that we have a sustainability agenda, you know, Domino's for good. And so how do we use our product innovation as a platform for making sure that we can drive that Gen Ford,

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all of our cheese in the Asia Pacific region right now comes from one factory. And it's all the same recipe right now. And it took us nearly three years to develop. It's tastier, it's stretchier. And it's actually better for the planet. And the better for the planet component has a long journey. So we have a dairy initiative. It's a global dairy initiative where we work with a largest cheese partners. And we're constantly talking and trying to think about how we're going to cheese is the number one impact on the planet from Domino's cows. That's by far the biggest thing that we can improve. And so that's one example. But the my Domino's box, for example, is three boxes in one, it consolidated three boxes in one obviously very efficient from That's the irony, by the way of often standability. For us, it actually eventually ends up getting us a cost advantage. But, you know, by and large, when we're looking at a product, we're saying what part of our ESG agenda is this progressing. Including sometimes it can be just even as simple as the margins are for our franchise partners that a specific products head on trying to improve pardon, because obviously we're a much more sustainable business, it's very clear. With our franchise partners are a lot more profitable. But that's not where we just put all of the focus the focus is on the whole agenda. And then finally, the Domino's X Factor or the pizza in us, the pizza in us and the X Factor. There's certain characteristics that customers relate to us. Because we were first to market and we spent so much money in 2008 2010 on our lava cake marketing. We that's that's associated with us. So ooze chocolate is associated with Domino's, that's a Domino's and that's an Uzi things, cheesy things, stretchy things that's associated with Domino's oven baked, we don't fry, we don't fry anything in our stores where nearly all other QSR fries things we don't we bake things in our businesses that's also an attribute, and so forth and so on. And when we put all those three things together, we do not know a single other QSR who focuses exactly what this they might be focusing on ESG in their own way, they may be focusing on their burgers and so on, although fried chicken pneus. But none of them are obsessed, there's not a single player up here. They're all our biggest competitors, that you later on, you can come up here and you can have a look at the box. But nobody's if you know these things, every single one of them. It's just not designed to be delivered. It's not it's not rock hard. Every single one of them. And that's how that's all delivered. That's all delivered food that we had delivered. Whereas in our pizza box, we're obsessing over the D, which holds the pizza in place. It also brings more rigidity the box, it steps off the table with its steps so that it doesn't go soggy into the base. It's got steam shoot out the other side. And the flute of this compared to our next biggest competitor is a

much stronger flute. That's an E flute to be flute that that means it's a thicker corrugated cardboard for more rigidity. The irony is we do play a few more cents for that but we think it's worth it because we think that it differentiates and so more and more and more as we think about the hot bags that we deliver it in when we think about the packaging when we think about the specific ingredients the coating on those ingredients, the performance from bake from fried, all of these sorts of things. We We're constantly thinking how we take that up the curve for for delivery. So that's just the food, more sustainable design to be delivered and the pizza in us. Now, we also differentiate carry out this exact way. So our mindset is this is that all of our meals are gonna be consumed off premise, they're going to be consumed in a home in an office in a park, they're not going to be consumed on our property, very, very few are going to be consumed on our property. And so therefore, the premium service is Domino's delivery, that's a fully dedicated Domino's train team member. Most of the time around the world, it's in a Domino's vehicle not not as much in Australia, in New Zealand, where we do these drivers cars a lot more. But for most of the world, it's on an E bike or an E scooter to all of the hop bags, the packaging and so on, it's a premium service, it's through our app mostly around the world 80% Or less or more. And that's Domino's premium designed to be delivered. But even if the customer chooses to collect the food, we have to think about the performance. They're choosing to be the driver, they you know people choose carry out for us or pickup. They choose that for two reasons. One is their own convenience, there may be more of a control person, they like to be in control of the experience that don't get a lot of things delivered. It could be because it's convenient on the way home. And it's just much more convenient than wondering if it's going to be 15 or 30 minutes. And they choose price. They're more value conscious as well. The crossover between a premium service from us, or a carrot customer rarely is more than 10 or 15% shared group. They really are different people. And so when we think about the customer, you'll see more and more development for us of how do we help that customer get that product? They're choosing to be the driver? And how do we help them get that product at a high performance for when they're going to consume it. Because the more we take up product quality, the more we can improve that service outcome, the higher our NPS, and the higher frequency and consumption and the data correlations are phenomenal. I'll show that in operations in a minute. Now, my call goes be no we're just before COVID We're sitting in Vegas at a Mars conference, machine learning AI robotics and space. And Jeff Bezos was on stage. And there's a really amazing thing that Jeff said is that somebody asked him and said, Oh, Jeff, what's the technology the future? What's it going to be? And what do you predict? And he just said, like, he just laughed. And he said, he said, Look, that's a really dumb question, to be honest. He said, Because anything I say, you'll all laugh at me. There'll be a YouTube video of this. And 10 years from now, you'll look back on it. And I was wrong. Because predicting that it's pretty hard for technology. But let me he said, Let me tell you what I will be right about. And he said this, what we focus on Amazon, he said, What are the things that you know, absolutely will be constant about that business. And if you innovate against those constants, you'll be right. And you know, at Domino's I'm never going to want my pizza to be cold. I'm never gonna want the temperature not being really as crispy and as hard and as far as you can possibly have it times the enemy of food. And we don't believe in 10 years from now anybody's going to want it to be compromise, they're going to want it to be better and have better and better expectations, as our competitors in the industry also innovate. Look, I don't want it to be longer. It's not like yeah, you know, it continues from that one and about an hour. You know, I'm gonna want to conveniently for us, that's a really weird moment. 18 minutes, I can't tell you why. But below 80 minutes, the customer gives us a no credit. And the longer we go outside of 80 minutes, we get less we get NPS reverses, but at 18 minutes, in every single market in the world. It hits 80 minutes. And the more we spend, you know, you know that we've had a project for Project 310, which we still work on, because project 310 helps us get in and around 80 minutes lot more often. But the irony is 10 minute delivery gives us no more credit than 90 minute delivery. It's really bizarre magic place 80 minutes. And we also know that about product quality. Our customers rate us out of five at 4.5 We hit a sweet spot like you've never seen now, I talked earlier about things I wish I knew 30 years ago, if you would have told me 30 years ago, the customer's difference between a 4.1 and a 4.3 product rating was was a lot I'd go No kidding. There's no way that's just so close. There's not a big difference. But I can tell you our obsession over the point ones and the point twos as a material different than MPs. When we hit four, and then it just accelerates and a five point if 4.5 It's definitely a Jacob we don't ever get a Jacob data delivery, it just accelerates and then peaks at 18 but in product quality all the way to five, it just hits a Jacob. So we were obsessed with trying to get to 4.5 across our group because that's magic. So at minimum 4.5 We execute those. We have a great business from an execution point of view. And of course people were in the valley business world the QSR and and people are going to I'm want that, that better value. So we also talked about segmentation of business. So when you think about the product innovation that we're doing,

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one of the things is we have a lot of frequent users. And they like to get excited by trying new tastes a new product, because they buy a lot from Domino's, you know, we do have customers that can buy two or three times a week from a Domino's business and so exciting by refreshing the call, and keeping that menu interesting, excites the core customers, then we're tackling new segments, we were the fastest growth QSR in lunch, last year now have a much lower base. We're nowhere near as big as the burger and fried chicken team. But we did we really grew heavily with my box and melts. And we've also been really chasing snacking. And you can see that's very clearly pizza product that is not, you know, burgers and fried chicken. And then the third factor we talk about is entertainment or entertainment, in a sense in that in the new media platforms, your tiktoks, your mentors, your YouTubes, there is a really good position to drive brand conversation and engagement through entertainment. And Mike will talk a bit more in detail about that. So that's a a bit of the focus on our food. So let me talk to you about something that's been quite constant our business and why it's still constant, and it's as relevant today. And it's a competitive advantage in our category. You know, ultimately, purchasing helps us still deliver a by getting closer and closer to the customer, we achieve more of that product quality and that service. Because time is the enemy of food for both our product quality scores, the longer the time, the more they get worse, right. And so getting it safely at an affordable price really rely is really important to us. Based on the size of our delivery areas, it's essential to also maximize the brand investments in technology and so on. And it's essential to build our profitable, sustainable network for our franchise partners. People forget because we talked about DP is this business and so on that we're very, very focused on the food delivery business, whether the customer is the driver or were the driver, that's that's our obsession. And product quality suffers as the runtime gets runtime, by the way, is there and back. So that's what we call runtime, as it gets out beyond 10 minutes. And also profitability suffers, you know, when minimum wages are going up the way they are now they're not going up and cents, they're going up in dollars and hundreds of billions and and bureaus in that material now, and they really you know, that every minute is so material to the average profitability of an order in our business because of just the real cost per minute of a team member today. And so, you know, the model we've been sharing

now for a number of years, you know, that when, when we execute well, with the customer, product quality, you know, getting it down towards that four point or up to that 4.5 And down to that 18 minutes, the closer we get to that, it means that our franchise partner profitability, they're more efficient. So their yield and labor improves. Product quality improves, therefore customers have a greater frequency. As their profitability and crew improves, then they start thinking about how do we get closer to the customer because there's still parts are inefficient. You know, Brisbane is one of the most penetrated Dominos markets in the world. And we constantly still put stores in here because it's also still a high growth market for you know, houses and so on and we'll have stores that they just get so big pop and buildings are going in. You know this when I was a franchise partner, I used to own a store called Katrin, which is about 1520 minutes from here. I think there's about six stores in that area today including the one that's right here. So we would have delivered to the butter factory that used to be here some 20 years ago, we just opened a new set store two weeks ago in new sets one of the fastest growth pockets in Brisbane and it's literally you know, a three minute radius or young urbanites target into market you know opened just just marginally below a national average from day one very efficient store to latest store if you want to go and visit it need to hear and it just it just continues to prove this and as cam Smith, he's one of our biggest franchisees Zeke is continues to execute in that store we'd like to see that still grow and and it just means you just keep getting more and more penetration you know, one day we should have a store in Albion we have a pocket between here Clayfield, Newstead and so on and it's just for us often in a in a tight market like Brisbane or Canberra or Newcastle Perth and so on. Our biggest challenge is more it can only be about there because it's got you know, a tight area and you just got to wait for buildings construction and so on to take place. To fill out those last three stores in Australia, New Zealand, we also believe in the power of franchising, and our franchise is different to a lot of other franchise in that is that 90% of our franchise partners come from within the business, they start as team members like myself, they grow, and my sister who's an operation coo here in Australia now, start as pizza makers or delivery drivers grow through the business, get the opportunity to, to invest in their first store, grow from there, and, and build out a business. And, you know, our our goal is still to be in the near term five stores for every franchise partner for our DP and one of the short term benefits of stabilizing at the moment and growing into ourselves as we can grow into that. But our long term focus is 10. Why why are we not mimicking some of our other peers around the world is that we also think that we need to be the largest franchise partner in our business with our corporate sales, we think that's the right strike a balance is that we're actually in the business. And we think that we do need to keep the proper partnership that sometimes if a franchise partner gets too large, and we don't have anybody anywhere near that in our business, then that can create different challenges about who really is driving and growing the business. What's also unique to Domino's that's different to a lot of other QSR is that when we buy a Domino's franchise, as a franchise partner, you get a territory, you own that territory, it's yours for 10 years, and you can upgrade in five year increments. But contrary to other fast food businesses, we can't just go and put a store in your area, or we can't have somebody else just put a store near here and take your territory, it is it belongs to you. You either decide yourself to put a store in that area, you sell the territory, oh, you can sell your store. But you own that territory for 10 years. And and that's really important because in a dominant store, if you're in the big box, retailers with the drive, throughs, and so on, they're often a significant part of their goodwill is the actual location, it really plays a material benefit in the performance. location matters for us. But our territory is the highest value goodwill to our franchise partners, we we look at our stores as dollars, euros yen per household. That's how when a franchise partner is looking to valuation store have penetrated only and, and those dollars per households also what they'll sell territory for it's a really large, you know, competitive advantage of how penetrated and how high you can get those dollars per household for evaluation in the business. So over time population changes, I remember we first put the Hamilton store at about eight years ago, everyone laughed at now 50% bigger than the national average, high performing store. And it's just because there's always apartments going in around here. But also over time, labor costs can go up because even with in close proximity, as density of traffic builds up more traffic lights, you know, it also can slow down and delivery. So you know from here to Albion, which is the boundary without traffic is probably about five minute drive, six minute drive with traffic could be to 12 and so forth, really closes the next to seller delay. And so you know those things make a difference over time. And it is what helps to drive the rationale of why you're better off putting store in that location, the future.

Don Meij 33:30
And the other thing that's really important to note because this sometimes confuses people who who don't appreciate our business is that often when we put a store like new stadium, Newstead is now taken the lower profitable customers from the new farm and Hamilton stores because the further is causing that most costly to service, and probably would have had the lowest scores for NPs because obviously they're further away. So just by the nature if you get there a little longer product quality time is the enemy of food and speed of service meant that those customers had the least experience from the Hamilton and the New Farm Stores, and the weather and the cost the most to give them that experience. But once the new state store goes in those least profitable customers now become highly profitable because they're very, very close, they get a much better experience. But the other thing is, you don't drive from Hamilton Hill to new set to get a pizza. It's just not your natural instinct to do that. You know, there's just too many things to cross over from that. And people from Newstead don't drive here to Hamilton or rarely would have driven down to the other end of that little mini peninsula to buy a pizza. So then you create the new consumption of the carrier customers that you know the neighborhood. They're the people that either walk to their store in the case of a new state, or drive past that store to pick up and that's where you get new consumption. And that's through improved customer experience. improved profitability add to that to that store for that customer plus the new carrier customers that creates new viability. And the maturation curves are typically in Australia, New Zealand, three to five years, most of Europe similar, unfortunately, in Taiwan, Japan that's out beyond seven years. So it just takes longer. And Martin will talk about that in his presentation. And you can see hear that the longer it takes us to deliver, and 20 more minutes, Phil isn't a bad time when you see these out, you know, we were getting this delivered or disease in the room, she had these. And you know, unfortunately didn't even arrive in the end to go get it another way, because it was an hour from our competitor, and it didn't even turn up. But you can only imagine what an hour long food tastes like. And and we can see it on our products. Because of course we have some moments where we underperform and yeah, you know, we have a policy, you can't do triples, aggregators, triples are standard. Because the third pizza, it's like an if you order, like it's really is a bad experience. So you know, we really fight hard to do singles, we talk a lot about that in the business. But in fairness to commercially to house to operate singles are much more convenient when you go to three, five minute drive time. They're not convenient when you've got these 10 minute drive times. And so that pressure falls on the store to get that order fulfilled. And they then start, you know, adding orders to the and as I've already said, you know, product quality, which by the way, is a bigger drip driver than delivery time on a rating. I know

that sounds obvious to maybe all of you. But as a pizza delivery person, we used to put more on the time than we did on the quality when we use the merrier. The compromises of life, as we've learned from our data are second to none as product quality, but it is supported by delivery time. And you can see there that our business is still lots of opportunities to reduce delivery time, we still have so much opportunity to maximize and fortress in each of the major markets around the world. Now before I hand over to Michael, I just want to talk a little bit. Today's not a trading update day. It's more strategy strategy. But I one of the ways to clarify, for out the US our shareholders and analysts is that Where's DPC? Today in it's the way that we're performing as a business. And I put our business in three buckets. Our first bucket is the the markets where we're performing and ready to go pretty imminently back into store growth. That's where we've got healthy customer count growth, healthy sales, growth, and improving margins. And therefore we believe the unit economics warrant opening stores, so we expect to see more stores opening in Australia, New Zealand, Germany and Singapore into next year. In fact, I just come back from a month overseas and nearly all 70% of my time in Germany was just back getting back to growth. It's the highest margin business in our business right now. It's a really high performer ironically had the highest inflation in their business to and closest affected by the Ukraine wall. And but anyway, those businesses its business back to the DP that you've always known or DMP, you've always known, then we have some businesses that are temporarily we think they're not broken businesses, they've just got some temporary things. For example, in the Netherlands, it took a 15% wage increase in January, and definitely was a high performer all the way through this inflation period. But just at the moment, some of our franchise partners have broken away from our strategy and pricing, we think it's only temporary, because we can continue illustrate that if they follow what the other 60% or 70% are doing, we'll get back on track. That's the nature of franchise businesses, right that out, we can't control all pricing, it's illegal. And from time to time in an extreme moment. It's gonna break away but Dutch business benefits business great business, and has had strong performance for such a long time. But right now, just consuming that labor. You know, we're very aware of the external tensions that is affecting the Malaysian business right now, but a really high performing business. In fact, in a normal environment, when you lose the sales we lost in Malaysia due to the external events, we would normally probably read the anchor right now, but we're actually still profitable in in Malaysia. Part of that was also supportive because we don't have a commentary there anymore. We went to back a house that that done very well with that. I think the Malaysia business looks like the Singapore business as soon as the external event goes away. And and it's the first time that we've been influenced by that sort of external event. But it's not the first time those sort of external events have affected the nature of the these markets. And as a result of that, the belief is that it rebounds as soon as that external event, and I stopped perfecting that business. Because it's it's not broken. It's just got an external factor on it right now. And as I said, it's still quite profitable. And then there's three businesses that I think are still structural, and that we still need to do more heavy lifting on and specifically we've talked heavily about Japan today. So these businesses, still, we got to do more heavy lifting, to move them into bucket two, bucket three. And that's France, Japan, Taiwan, today, Taiwan's bottom line, it probably could jump into bucket two. But because of the by cycles in Asia, we we wait for a longer period of time in hindsight learning now before we move on to a different bucket, because we may be seeing sometimes false positives, because of the bias cycles and so on. All right. Our franchise partner profitability, one of the things that we want to confirm and clarify is that yes, we need to get north of 130, again, to get strong unit economic growth across our business, where we get towards that three year payback, as we were well and truly beyond that in Germany, and we're, we're targeting that in the next six months here in

Australia, New Zealand, with the progress we're making stores open. Now, you know, a 3040 50% improvement in profit does not require 30 40% improvement in sales, and our business, there's a 30 to 40% contribution margin past breakeven. And what you've seen is when it delivers, in other words, inflation has driven up the breakevens in most markets. And if you haven't done that's just eaten into that 30 40% margin, which doesn't mean breakeven just gone up. But once you get past that breakeven, the profitability returns materially faster. And you have nothing points of that more extreme than the three winning markets at the moment for winning markets at the moment that how quickly that, that eats in itself. And and so yeah, even because of the pipelines for stores, if all the momentum points, we start triggering store growth now, doesn't mean we may sign a lease or whatever, in Australia, in Germany, definitely sign up, or at least you can get into the new territories. But as we've just got to bridge that, that moment, let's get on with store growth and, and continue to deliver our plan. But if you're in bucket two, or bucket three, you're probably not focusing on so go for it and still focusing on dealing with temporary or more structural issues to get the business into a more profit place. I can confirm that the restructuring costs are on track, I have every confidence that our report that in August, you know, as it was a big number. But in some areas where we found that we will do aggressive we made it up in other areas, we weren't as as as efficient as we could be. So I still very confident that and 1/3 of that will be passed through to our franchisees and is being passed through to our franchise partners as it happens. So that's all part of the plan week, internally, we call that project rebase. So it's just rebasing the business. And, and it's effective and working. Alright, finally, my last slide is that, you know, we wake up here today and we serve as 418 million population in the markets of DMP, you know, 25% bigger than the US and GDP pretty similar to China, when you add all those markets together. We, you know, we still believe in our our outlook, the longer we are in bucket two, bucket three, it will put pressure on those timelines.

Don Meij 43:09
You know, so if if we don't get out of that bucket to bucket three, then we would have to revisit right now because we're out of it in ANZ and Germany and Singapore, they are off and running. That's back to business as usual. And and the DMP that most people have experienced for the last 19 years listed. And, but yeah, you know, I, when I grew up in this business, I have two envies of the rest of the Domino's world, not very many stomachs in Australia, and the Aussie pesos, right? We've got a world where everything's measured in US dollars, and one minute, we're parity and next thing we're half. And today, well, the euro and yen are also depressed against the USD with this, we've got really strong currencies, really good markets, highly populated, westernized markets that we're very proud of, and my expectations for growth. Alright, thanks very much, everybody. I look forward to answering your questions soon. Over to you, Michael.

Shaun Cousins - UBS 44:08
Thank you, Don. So let's jump in now on the back of Dan's presentation. And what I'm gonna really talk to you today as a bit about brand and product and also today, how it fits into that technology. When you look at our brand, think about Domino's, everything we do from a brand perspective is driven by a product or service. So we're going to talk about lunch, we're going to talk about dinner and we're going to talk about free lunch or snacking is going to be driven not just saying the occasions great or the occasion, the customer already knows that. It's about giving them giving them products, giving them services and those occasions it's really sure why we deserve to exist in that category, whether that be a

time for a particular customer segmentation and targeting. And then how do we use technology people don't come to Domino's to use that technology or technology is a catalyst or a solution to actually get the food or to get a service fire. So how do we make sure that technology enriches that experience, but it also showcases the great food we've had on talks about entertainment, you're going to see examples. We have Australia's that'd be tradition. From from a role perspective, Australia's been the greatest involvement from my perspective and my team, as we're going out at our center of expertise in our global environment experience, we've been really able to really get to the crux of this. And when we've got these great food products, how do we expose them to our customers using technology in the right ways, and some of the new digital mediums, mediums. And if we are going to be the dominant sustainable delivery, in 2030, we have to be in the most dominant delivery platforms. And that's aggregators. And we'll talk about how we're actually playing in those and how we're learning and continuing to evolve. And also take those learnings across from a group perspective to our markets. So I just want to remind everyone don't talked about designed to be delivered, or how do we actually come up with our products and services even now, technology solutions, and you might see Don talked about the great packaging, you can compare that and make your own judgments against up here, the competitors, but also every message you're going to see a video through here on tick tock that we did in Germany, around the donut kebab. That's it don't that's not just a donut. But we did we did, how do you actually reinvent 30 kebabs, which is the most popular street food in Germany now? And how do we make it deliverable? And how do we make it unique? And that's pizza? Because we're, we're a pizza company? And how do we deliver that but also showcase its deliverable? By utilizing, I believe the number one social combat reviewer in Germany, or at least well known for his kebab reviews? And how do we actually connect with people through other mediums and, and show Watson's byproduct because we've actually taken a kebab and made it deliverable. And you've seen, you know, Germany go very well from that. So it's not just through our product, packaging, it's subtle messages for our marketing as well, that we do this and services in online. So we talk about media, the media landscape has changed significantly, if you think pre COVID. Most companies, a lot of us, we're still we're still spending in digital. But also social has huge uplift, we've seen Tiktok lift, we've seen the landscape change considerably. We've seen a move away from terrestrial TV into more about digital video platforms. So for us, that means Dominos as a player, it doesn't mean our ad dollars increase exponentially to every single new platform and all the new audiences, we have to be smarter about how we utilize these platforms, and evaluate their worth. And also how we can use these platforms, as I said, to bring out that entertainment value. So we're gonna play a couple of videos here, the first one you're going to see is actually an ad that we put in social media within Australia for their version of the cheese volcano. The second one is going to be utilizing and showing, I don't want to say playing with the food because playing with the food can have negative connotations, but actually enhancing and making the consumer believe what else is possible with some of the food we've got here and play in a good more of a entertainment way that a playful way. And then the last one is and I'm sure you're awaiting is the donut kebab. And hopefully a lot of you can speak German because then you can understand what they're saying. But but I'm sure you'll get the gist of it. So if this plays on click, if not, I'll have too many people will watch you guys new cheese, okay, that didn't go cheese, crust. Cheese, she's sort of social executions like that. They're even the traditional banner ads that had cheese pouring on the screen as people are trying to read the news and hopefully getting distracted and ordering off us. It's about using this media to be rich and inspiring these products that our team is spending a lot of work and researching and validating it's the customer, then as I said that he can really have fun.

Shaun Cousins - UBS 48:54
And I hope that creates conversation with all of you in here because I've already planned to get one on the weekend with my son and see he loves food challenges because I think they used to be big on on YouTube and other things. And I'm gonna get one and see who can handle the most dipping and what can we try in there. So I challenge you all to do that please order online as well be appreciated. But sorry, there will be some for lunch. Yeah, I can go into my diet, the apple is not going to be included. But I'll be doing a lot of bland food in there. And Don knows that very well. And the last one is this kebabs. So think about inspire doesn't have to be gooey goodness. It can also just be, as I said, an amazing product that people already liked within a market and a new take on it. And why if Domino's just ticked about, we don't have it had rights reserved against the 18,000 other stores in Germany because it's just too bad. But if we take a new take on it and put it on a pizza and make it taste as good or better than your local, then we have a right because we've created a Domino's approach to it. We've designed it to be delivered. And we've reached the customer and a product that they actually have a passion for. So I'll just play this video now. Yeah, you do that in case marketers do a lot of cover letters. Yeah. Although the sound will be high quantities in my model I have I do not have been doing that that sounds like what children are doing because well, here's your phone, you do not get something to do listen to consoles, it has been a pleasure for me to do not touch metal pencil and screen we need to do now.

Don Meij 50:20
So this recognition was on a Saturday, if you do not understand caching, I was interviewing Shopify to industry experts on these topics, or they invest in keeping good analytical perspective.

Shaun Cousins - UBS 50:36
And for those who don't speak German at the end, those were chili flakes, obviously being able to sort of cure credit, customize it yourself. So we're obviously not going to put chili flakes on if you don't like so you have the option of adding chili flakes. And also that pizzas got rained on or ate that as well. So I want that on my it's really nice and really cuts through. And the main thing is it tastes I think about but it tastes like a Domino's version, and delivers hot and fresh. So then when we look at it, the media landscape is so complicated these days, as we said, even terrestrial TV, even though less viewers is going up in cost, you've got these new mediums that are that are launching these new mediums launching different types of ad units all the time as well. So that creates an incredibly complex web. And I think there's a whole correlation versus causation versus correlation argument that happens in any form of advertising, marketing, the old ways of just saying, Hey, we got to click, and we got to sell from that, you know, you can say that's great. But that doesn't tell the whole story that could just be pure coincidence that that customer clicked and purchase because they're already going to purchase that night. Or you could see sometimes people aren't clicking on it, but seeing it, but it's also enhancing the interest in the product and brand and post purchasing after that. So what we do is obviously can use initial reactions, you can use clicks, you can use observations of we expose this piece of advertising, we saw an uplift on that particular day. But you actually have to go deeper these days. And media mix models aren't new. But what's evolving more is smart media mix models, where traditionally businesses

would look at this at maybe a six months if they're if they're really got the investment, usually a 12 month review, sometimes even a bit longer. And what it does is assess the really the success of each media item, or each placement across an advertising platform. But what they've also done in the past and more around the placement, not necessarily what is the message what is your pricing changes being? What is the actual lead time and and more accurately time measurement of what does TV How long does TV or digital TV take to create a sale versus an SMS? Or versus search ad or versus an email. So we're partnering now with mu natrix. And we've done this a lot. Next, sorry, done this. We're starting yet again, Australia being the petri dish, but now into Asia and Europe is how do we create these monthly almost unheard of in the past dynamic multimedia mix models. So what does that allow us to do? It allows us to have more control and understanding of our media. Media has become more global other platforms, we are global now. You know, Google is global. All the main social media is a global. Now they might have different weights of presence in the markets, but they're all global. Their platform ads are global. So by having our center of expertise, lead our digital purchasing with our local markets, what we can do is now give them more power than ever more insight than ever on the success. But not just the success that we can, we can say a placement works. But if you put the wrong item in there, what actual content is working in there, and then actually making forecasts with them over if we uplift spend in this area? When do we think we can reach the maximum output, when we can we get the best efficiency out of the ads. And this really, I believe, is going to be incredibly strong player in our whole medium. It's a whole media purchasing and activity in the future, because it really allows us to assess what you saw before assess the value of a German critique on our data cut that will allow us to assess exactly which is performed on the screen and really creating that ad. First relying upon a 12 month review, we're already lost opportunity. Opportunity loss is huge in any business. This allows us to erase that with our media spend.

Shaun Cousins - UBS 54:18
We can't forget beyond external media, and we've got all this amazing product and food coming out and so much more to come is having to drive your own media. Domino's is 80% Digital. We've always had a presence in how do we create a voice to our customers through direct correspondence, not just relying upon third party communication. But if we've got this, how do we enhance how do we make sure that we're actually giving the best and this ties into technology? You can see here and I press and I hope a place. This is the Singapore website. This is stuff we can do on Singapore now take learnings you have these beautiful visuals you've got the volcano coming through and really enhancing that because they're On the one digital platform now when Mum market sees that we can then say how do we release this into Australia or Japan or so forth? SMS is something that we all get SMS still when it's, you know, a valuable tool for us to connect with our customers. How do we go one step ahead? How do we try MMS? How do we make your SMS visual? And how do we create the value in that to really drive, we can talk about a cheese volcano, but when you see the Jif volcano, when you see that I'm sure you're all hungry. And we should have probably done this close to the lunch Nathan, so they're gonna more hunger. But that's my feedback. But yeah, if when you look at it, sorry, the marketing head, but when you look at it, you just go, that's way better than us just telling you. If you cover that picture, and you just text explanation, that just enhances experience. And thanks to the media mix model, we can also value what does that click, and what does that message on that day really driven, rather than just making some correlations to performance. And lastly, any marketing, you know, email marketing doesn't always need to be in your face around discounts. It also needs to be what is a product and

some of these inspired products are amazing, because we're not discounting cheese volcano was $10. But as great sales and has great margin for team. So we can show it there, we can just say, here's our product at $10. Because we've got the value proposition, right and we've got the product right for the customer. So then we can enhance that through our emails. And having this global as well, we can get consistency in approach. But then we can also find learnings and testings, different markets, and then bring them to other markets as well. And when you talk about our own media, we're doubling down on really reinvesting in how do we grow this time media. So we know that we had low double digit growth in our online platform, but last year, which last six months, which also outpaced our direct sales, but also we had significant over indexing growth in our email database. And what does this mean? Well, we've got Don talked about, we've got an addressable population of a 400 million out there in the market to be existing. And we only have 17 point 4 million email subscribers in those markets. To me, that's a huge opportunity, not just opportunity for us to grow direct correspondence through email and other formats, it actually just underlines, we've still got so much growth in our markets ahead. But it's an amazing database to talk to about our products, services. And beyond this, we have databases and push up text databases pushed on I'm sorry, push on apps, pushing web, we have correspondents that we do in a variety of ways that really lift and enhance that experience. But also, it's not just about selling, it's about winning back. And an area that we've really gone back and played in and said how can we enhance is how do we start trying to capture the customers that are leaving, and we want to win back campaigns, but we're working on how do we make this smarter? How do we actually reach out to those consumers that are on that list, look at their purchase history, anticipate their churn and reach them and reach them early in the piece rather than trying to chase them post action. So there's a lot of work going in here from rudimentary moving into machine learning that we're the best working on and testing is how do we actually get customers before that drop off point, I think a lot of the time, it's really great to go, Okay, we've lost X amount of customers or have lost this customer, we got to get that customer when they're about to lose us when we're about to lose them. When that relationships broken. Get them before that is actually broken, it's much easier to make up before you've had the divorce. So let's try to do that with our customers. Rather than leave it to the last minute and try to get them after they've sort of disconnected from us. So there's a lot of work going on, you look at 15,000k, you go, sorry, 15k. So 15k per month, you start thinking 15k per month, and we're just restarting this activity, then you add in enhanced activity from the media mix model every month, then you add in testing a message over SMS, then you add in other enhancements. And you start getting incremental, incremental, incremental. And it's very easy to say, hey, we need 200 Extra orders per store to really smash the 100. And you start actually putting it on paper and you start really starting to that total, you know, progressively but you go, Oh, it's much more achievable. So that's what we're sort of doing as well. From a group perspective, how do we make what we need to achieve broken down into parts and compartmentalize rather than looking at a whole number. And then we can actually use areas of the center of expertise and the local markets in their dedicated areas. So whether it be digital media, social, on premise, owned media, on site, which is our website, everyone then has a goal aggregators have a goal, they can chase, they have a directive, and then they're empowered to continue to push the envelope. And we touched on that the start of my area and don't talk about briefly as well. And we've always discussed sort of what aggregators need to dominate. So if we're going to be the dominant, sustainable delivery QSR in 2030, we have to be in this largest delivery, war, food delivery food or whatever you want to call it. You can't just be there. You know, you can go to a shop and you watch so many places on on Main Streets or shopping centers. You can't just put a shop there you notice I push don't promote or don't have point of sale, what usually happens they disappear. So when we're in these aggregators, they're really a shopping mall, people coming to the Marin audience that just go, I want dinner, I don't know what I want, I want lunch. I'm just gonna go in there and pick something. So how do we, how do we stand out? How does dominance stand out and be the most visual? How do we stand out from our product and value? These customers is still still one value. Yeah, you can read the news and hear about the person who gets a thick shake delivered or a drink delivered for $20, and so forth. But that has value to them, because their needs at the moment is they need a drink. So they're gonna have a value proposition, we have to meet their value propositions. And being there the right value, they equate to getting food or getting drinks or getting a dessert or getting a beautiful cheese volcano to dip all sorts of things in over the weekend. That's what we want to be able to deliver for them, where they see the value equation and the products we have standout across everyone else. And that helps that conversion when they start looking at our menu. And then we need to work on infrastructure and infrastructure is sort of the areas that I can go down in a nerdy way. But that's really our connectivity to these aggregators. How do we connect to them in the most seamless way that make whether it be order failures, accepting of orders? allowing more flexibility with promotions or addresses or opening hours and so forth? How do we connect the back end so that we make it easier for our stores, and less disruptive for the customers? So when you think about aggregators, so once you think about and some of you would have remembered, you know, seven 810 years ago, when are you done or even and you're ready to a digital and assigning sort of digital marketing and being quite prominent in search, and mobile ads, and so forth. All these, all these platforms have aggregates all these platforms have algorithms and processes that are common across the world. So if a DP we need to continue to see how do we become the best at understanding those? How do we come the best of knowing, okay, what is the best promotion and something like that? $35, you might say, there's a promotion in there fried chicken bites, but we're looking at what our average ticket. So we're looking at what's happened in that week? And how do we enhance and stand out and give something back to the consumer, but also get a lift in a benefit to estores? But then also, how do we know what the partners want? How do we work with that guy doesn't say, Well, how can we be part of a promotion not talking outside that world. But with a push notification, you can see there with a message that's coming from Uber about Domino's, because we're giving them something that they can get their customers that have a need state to get food and that you know, work on that partnership. And then how we present a menu. So wings, domino sells wings. So we go wings, how we present and wings, how we present pizza? How do we then work with the algorithms of ratings and time and delivery and everything else goes behind it to be as fast as possible? Because a lot of you, if you've got an eat state and you want to eat, are you going to scroll through 20 different wings options, you're probably going to look at the first page a majority of you and go what's the best option there, maybe look at a manual to that's where our product and value comes in. And hopefully that's where we stand out and own that space.

Shaun Cousins - UBS 1:03:00
And as I said that is transferable just like the online advertising. A lot of partners that we work with now are global. So how do we transfer that? How do we take these learnings we have and apply them and you can see here, it's not just Uber, as you probably saw at the start, if you noticed it was delivery that I used in owning it. As you can see here, there's a company called Domo icon there is Uber Eats. In Japan, there's well, there's other companies over in Europe as well. But how do we play that they're all gonna have slightly different ways of doing their algorithms, but there's learnings that we can apply that

a collective across the groups, and then there's unique ones that we've tweaked to. And then it's also driving, how do we drive additional value out of these? And when you've got areas or times of day where we have service restrictions or aren't open, where at particular days? Well, we're looking at, can we utilize some third party delivery? We've talked about this before, I think we shattered half year, but you know, how can we still not compromise our product and make sure it gets the customers right? But are there times when we have been closed or where we haven't been able to open as long as we like because of certain restrictions? Can we utilize some third party delivery options as well in the story. But there's a lot left in the greatest space, we continue and we will I have no doubt continue to drive on winning approach in that space. And then to close out, I just want to refer reference back and sort of look back at this global price technology. So it's not about just shared learnings across our greatest shared learnings across media optimizing, also as a marketing trying to get the best IPD best product that's inspired products out. If you don't have a shared platform, it's very hard. I just could not imagine now trying to release a service or solution we have priority ordering which released around a year ago which allows people to pay for faster ordering and go to the top of the queue for pickup and delivery. Trying to build that in 1211 Different who it was that time 11 markets were on it and then we got Singapore 12 different markets trying to build that solution for it. They all had individual solutions, the cost the time the Have the effort to refine. And what is also great is everyone's on the same platform, we can watch the consumer, from start to finish on an order, we can use a benchmark where the pressure points are for each market in regards to conversion. And then we can drill down and we can show a benchmark, you never know if you're the best of a poor bunch. So we can actually benchmark all our markets on digital to who's converting the best at each stage of a process and conversion is the customer seeing a page or visiting to actually completing an order. So we've got this lot of data. And we have a lot of data. We're enhancing the visibility of it. And sometimes I regret that because that usually means more emails from Don, Josh and Andre and myself and my team. But that's also a positive, because it means the data is actually connecting. And the CMOS are seeing it and I just finished a session with Alan on the phone before we created a whole new insight into an area that he's wanted to see within the business before. And what's great is now we can roll that into Don's already emailed it, I think within about 10 seconds of and sending it to him to all the leaders. And that means by Monday, the leaders in all those markets can have incredible insights they haven't had before, just through some work we've done in Australia, because we're on the same platform. And then what does that mean? Well, we've talked about Germany in the past and the Hansons, we had when we put one digital in and took that market over. We just wanted to share we move Singapore across not that long ago and then looked at one Singapore has got the system in they've got a handle of the tools. What are we seen in Singapore, as you can see Singapore, over the first three months of 23 of those 24, we've seen a 70% increase in SSS, we've seen a 70% of success growth. Now that's not all down on one digital, I'd love to say it is and I'd love to say it's all down in marketing. It's a combination of everything dominance brings to a market. But it's when all our systems aren't when they're starting to understand this by product, when they're getting this service level stronger when they're looking at how they utilize one digital connect with the customer. And they're looking at the marketing mix. The whole package of what DP brings to market comes together. And I think I've no doubt Singapore is a perfect example of what's possible there. Now it's our challenge. How do we take that over to Malaysia? How do we take that on to Taiwan next, and see if we can replicate some of the past successes we've had in this space. And on that note, I'm gonna pass over to David to talk about people. So thank you.

David Klages 1:07:12
Thanks, Michael, I'm going to be talking about our people. And Don previously mentioned that we are trying to bring our pizza closer to our customers. So at the moment, we had about 120,000 employees across our regions. So I'm really excited to be leading the people team, we've actually brought all the people resources under one leader myself over the last six months. And what that's meant is that I can start to focus our attention across the four areas that we call our pillars, we've mapped out to 2030, what our key focus areas are going to be to make sure that we can deliver on the promise of being the dominant sustainable delivery QSR in every market by 2030. So for us, what's really important is that we have the right attraction and retention strategies. Because when I talk a bit later, what you'll see is that in in our organization like many other QSR, ours, the turnover rates are quite high. So how do we keep our people engaged in the business? How do we make sure that they stay? Because the key thing with Domino's is that there is a path from being a delivery driver, or in store all the way to a manager or franchisee or franchise partner and then to becoming even a CEO in this business. And we've proven that time and time again, that's very different to a lot of other businesses that we have. So when we look at how we actually can manage that 120,000 employees, and that is going to grow by about 48,000 employees. By 2030. We need to make sure that we've got the right systems and processes that we've got the right technology to keep people engaged in that. Day Brandon, Executive Chairman Domino's said that the number one predictor of the success of a Domino's store is the competency and tenure of the store manager. So how do we keep our store managers in our business longer? When you look at the pipeline that we have, and you know, we spoke briefly about the path to being a CEO or even a franchise partner. But if you look at the path that a team member has in the business, from being a new startup, we have a very high turnover in the first 30 days. So how do we stop that? We need to have the right talent acquisition process? We have star team members that actually gets stuck because the managers have moved on that have don't have the right capability. So how do we make sure that we've got the right approach to managing the managers go through the process? As somebody who's being a store manager, sometimes we promote them too soon. You know, it's one of those things in a business. You've got somebody in store manager leaves, suddenly we're just promoting somebody that doesn't have the right capability. So, you know, our job is to make sure that people team that we've got the right approach to training to stop some of this from happening? How do we keep that engagement level going, you know, in some of our markets is up to 100% turnover of our team members per annum. And that's a pretty regular figure that you'll see across QSR. But one of our goals is to make sure that we have the lowest turnover of any QSR business by at least 2027. And the way we can do that is to start to look at how we actually keep engaged with our employees, how we make sure that we train and develop. When you look at our 2030 vision, you need to look at the fact that we're going to have to employ something like 48,000 employees at school level, that equates to about 23,000, store managers, 7000 managers in the business and a huge number of franchisees. Now, we talked about moving from five score franchisees to 10. Clearly the key here is to make sure that we've got the right franchisees and the brisk in the business, and that we're able to make sure that we we develop people along the way, because we don't go outside and bring franchisors outside of the business we grow them from within. So how do we actually do that? The people team looked at what Japan was doing about three years ago, they had an incredible program called mammoth that showed a real correlation between the sort of training that was being done in store and the product quality the year on year sales targets. What you can see from this graph is that, you know, the top quartile stores had product quality that was much higher than the middle and lower,

they had EDT that was much better, they had NPS scores that are much higher, and they had you on your sales growth that was much higher than the rest, the differentiating factor between our top and bottom stores was the amount of training that was being undertaken. So it was really clear to us that, you know, we couldn't replicate data across the business. So we needed to develop our own products, which we call path to excellence. And that's what I'm going to talk about over the next course. So coming into, you know, the, probably the last three years, we've been focused very heavily on developing what we call that path to excellence. During our lunch, I'm going to actually demonstrate it. So I'll be happy to take you and show you what the path looks like. It's a really exciting tool to keep our employees engaged. So we developed this tool, looking at the competency framework that was both in Japan. But globally, we looked at the learning plans that were around the business. And we spoke to a lot of delivery experts and team members to make sure that we were developing something that would be exciting and intuitive. And what you'll see, hopefully lunchtime when I demonstrate this is that it's a really exciting gamified system. This is something that engages employees, it's not something that is a standard LMS. And I think that's really key and important when you're looking at how we can keep our engagement levels of our team members going. This also leads into our leadership competency framework. So what the path does, it actually allows us to have a roadmap from being your very first day in Domino's, to actually being a multi unit franchise partner. So this isn't just taking somebody from being a startup to a manager, it actually takes us through the whole journey of being a DPE boy, and then becoming a franchisor. We have these curated learning plans that are consistent across the globe, but customizable to local departments. So rather than having a Domino's team member in the Netherlands, having a different training process to a Domino's employee in Australia, they have a consistent process from start to finish. The only customizations around local compliance issues or if they're launching products that are very unique to their environment. And what we can see is there's this direct correlation. We saw it in our Australian corporate stores a couple of weeks ago, in Victoria, were our top performing corporate stores from a labor perspective, had the highest training participation rates above 80% people trained in all of the products that they needed to be trained in as well as across the General Training population. think what's really exciting about what we're doing, though, is not just the learning management system LMS any company could have an LMS what we're doing that's really unique is actually tying this to data. So we've we've worked with our BI team, to make sure that the information that we're able to gather from our LMS ties into performance business, so we can see this correlation happening on a daily basis. You can see where the product quality scores are going up. It is exactly related to the amount of training that's been conducted. So at this stage, we've rolled out our path to excellence across five countries. So Australia, New Zealand, Japan, Netherlands, and Germany. We've got 66,000 team members on the system. We have 320,000 training activities already conducted. And we've got 13,500 active users per day, we'll be expanding that to all of our, our countries over the next two years, we've got a roadmap that takes us out so that we can keep our employees engaged. I guess I want to focus on the path from being a manager to a franchise partner. That's really critical, because I don't think this is something that many other organizations do. We've developed training materials that allow us to see how you can move from being a store manager all the way to being a franchise partner. And what we do is we actually agree with the franchise potential franchise partners together, what we've been able to see in the last 24 months is we've had 70 franchise partners born out of these programs. So that's a huge number. You want to be able to see that what you're doing from a people perspective in growing and developing our team members actually leads to be adding more franchise partners in business. So in order for us to be the dominant, sustainable delivery QSR in every market, we've had a real focus on how we keep all of our employees engaged, not just you know, from, you know, the focusing on things like our turnover rates, ensuring that our engagement levels are higher. But we're building a world class learning system that allow us to actually see and track how we go. Thanks so much.

John Harney 1:16:53
Hello, everyone. My name is John Harney. I am the chief partnerships officer for Domino's Pizza enterprises. I'm coming to you today from sunny Netherlands. Sorry, I can't be with you. I just wanted to give you a bit of an overview or a bit of background on the areas we're working on in terms of ESG and supply, both of which come under my purview. To begin with in ESG were just to reinforce it from the board all the way through our organization were incredibly committed to achieving our ESG targets. And to put that in perspective, you know, the average age of our workforce is 19 or 20 years of age, and for that cohort, they expect nothing less than to work for an organization that is incredibly active in this space. So what have we been doing? To begin with, we've been spending the last two probably more years, the the amazing stewardess stewardship of our ESG manager, Marika who just recently left us unfortunately, so we're in the throes of replacing her. But she has set us up with an amazing foundation with which to move this forward. So we've been approved and registered with with our science based targets, including what they call flag, which is forestry and Land Use objectives as well. So things like deforestation, regenerative agriculture, water usage, etc. We're actually one of only 10 companies worldwide to have our SPT AI targets with flag approved. So an incredible effort by Marika and the team. But that's, that's a lock as is our commitments to 2030 65% reduction in our carbon intensity by 2030, which is an incredibly stretching target. And net zero by 2050. Like most of our peers. So these are stretching targets. Let me be very clear and and quite the challenge and when you look at a business like ours, so, you know, we're obviously a multi unit franchise business across 12 different geographies, actually 96% of our carbon. So just looking at climate 96% of our carbon is actually scope three and scope three means it's by everyone supplying into us. So actually the activities of our stores and our people are quite low because we haven't got a massive manufacturing base or value add base within the organization. It's all coming in upstream of us. So 96% of our carbon footprint, which is 1.5 million tons as as calculate In it in FY 23 is scope three. And of that 96% 80% of it is our food. And again, the realization there is when we say our food, we all immediately think of the factories and the trucks etc, which believe we have an impact. But the absolute massive impact is things like a dairy cow. So the methane output of a dairy cow represents 20 plus percent of our of our 80%. So, you're our food supply chain is an incredible impact on both our carbon and an impact on the planet. So what are we doing about that? So first of all, we've we've worked with our dairy partners, obviously such a huge single impact, we've created what we call the dominos dairy initiative. And that is setting objectives around that dairy area. So working with our largest global supplier, which is Lapena foods, we've created guidelines and frameworks with which to drive carbon out of that dairy supply chain. And like all of the carbon reduction strategies we have at the moment, data is key to making that happen. It's it's hard to know where you're going to go if you don't know where you are today. So the first step in that process has been creating a double materiality assessment, a DMA fancy word for basically setting up 30 objectives on which we intend to focus on for the coming years. This is a body of work that's only just been completed, then that allows us to meet the reporting criteria of both the EU and the AU, the Australian climate initiative, that starting in July of this year, and the European initiative, which is starting in 2025. So these are significant legislative requirements placed on the business. That

materiality assessment sets the objectives on which we have to go after. And then we have to start measuring and reporting against those objectives. It's something like 900 points, of which probably 30% of data points. And then 70% are what we call narrative, US explaining what we're doing on our journey. So I sent significant body of work there to meet those legislative requirements, as they stand today, and they are changing quickly and countries are signing up for this California to signed up recently. Not that it's one of our our geographies, but certainly shows that the world is starting to get compliant with this legislation. So how are we going to meet that we've we've broken the business up or the ESG objectives up into three very core areas of our business? It's how do we build sustainable stores and operations at silo? One? How do we do responsible sourcing of bringing all that food and supply into our business in a sustainable way? And finally, how do we innovate our product and our menu sustainably so we drive the future of our menu in a sustainable way. So stores obvious things like how much energy we use in our stores waste we create in our stores, driving a delivery. So those bicycles are no scooters, you know, electric scooters in Taiwan, ie bicycles all over Europe, and more and more so in Australia. And of course, how do we design a store to be just a lower carbon footprint, it could be as simple as putting hot water collection in the vents off our ovens and start heating the water rather than using electricity and simple things like that all the way through to the better ovens and cooking equipment out there. responsible sourcing, as it says it's getting better at bringing all that food into our organization and lowering that carbon footprint looking for alternatives. Be a plant based, be it fermented or cultured meats I growing something in a bioreactor to regenerative ag that lowers the carbon footprint of a farm increases nitrogen sequestration, all those things that you've probably all heard and read about. And then of course, it's driving our menu. How do we make sure all future products are more sustainable than the ones they're replacing? So they're the three keys There are areas that were focused on to resource that, of course and drive that we were replacing our head of replacing our head of ESG. So that's a search that's happening right now we're very close to finalizing and, and then resourcing under that we have a dedicated team of three people globally working on ESG, with the head of ESG. And then we have various people across the organization driving those initiatives through stores, through sourcing through menu development. So it's a very motivated team across the group. And then we're supporting them with software. We've bought impact buying, which is a traceability software. So that's key in being able to track all the way back to source where the products we buy actually come from. And sometimes you think it's obvious if we bought milk from California, it's milk from California, but you have to look at what additives what

John Harney 1:26:04
what other ingredients go into producing our product, could be the grain that the the the animal is fat, where does that come from? Where's the soy come from? Is it a deforestation source. So it's an incredibly complex web, which we are trying to get our hands or our minds on. Then we're overlaying that with some ESG reporting software, we're currently sourcing at the moment to help us meet those European and Australian legislative requirements, which are effectively almost Financial Reporting Standards. And then finally, as a business, we're looking at an enterprise resource system and ERP to sit across all 12 geographies of our business. This is everything from HR. So getting all that diversity data and people data into one central location is key to us being able to then make change and drive benefits through our organization, as well as centralizing a finance system and centralizing our supply and inventory control systems. So three pieces of software that are key to driving the ESG agenda. And then I guess, to wrap all that up, sorry, this is a pretty quick summary. But what's next in FY 25. So

having all of that foundational work put in place. It's a case of then saying, let's do our responsible sourcing policies, get them all set up squared away and on our microsite. Let's start to meet those Australian and European reporting requirements. Let's with the software we're now getting hold of raise the bar on our modern slavery reporting in Australia, it's coming in other markets, but it's currently only Australia. So we're gonna get better at that traceability all the way back and be able to report better on modern slavery. We're going to design and get accredited a green store. So all these ideas on what we're putting into a green store, we want to build that store and have it accredited by a third party. In national accreditation service. We're starting to build female centric leadership training programs to bring that diversity levels up through the organization. We're expanding our back of house dough, which drives enormous logistic savings, but also environmental savings. And I'll comment on that more in a moment. And then where we're driving low emission delivery vehicles, both from our warehouses into our stores, we have two electric vehicles in the Netherlands, two fully electric semi trailers from Volvo. So electric tractor if you like the prime mover, and an electric trailer, all the refrigeration electrics are totally silent, already operating for the last eight months in the Netherlands. But we're also driving lower emission vehicles on our delivery to you as a consumer. And then I'll move on to now I'd like to discuss our supply area. So just wanted to add to that ESG story, a little overview on our supply, supply chain value chain, how we actually move products around these 12 markets. So as I've been saying, we operate across 12 Very different geographies, from Australia and New Zealand to North Asia all the way to Europe, and obviously Southeast Asia as well. That's a total of, as of today 300 or 3844 stores across 12 markets service by 36 separate warehouses in those across all those markets. So what that equates to is every three minutes, there is a delivery truck backing up to one of our stores somewhere on the planet. Every three minutes it's delivering a food, it's delivering fresh vegetables, beverages, packaging. And, you know, it's a significant supply chain. And we're sourcing from pretty much all over the world, both domestic in the the markets in which we operate, as well as some imported goods, where necessary. And probably the biggest thing we've done, two of the biggest first step we've made in removing carbon from that supply chain has been the implementation of, of what we call back of house story. So for those of you who don't know, a traditional dominoes model of 20 plus years ago, was a central factory. In if I use Australia, say in Sydney, producing dough fresh dough, and then can transporting that fresh dough to the store. So it doesn't take a rocket scientist dough is 35% water and and dough by its nature, you put a dough ball in a tray, you've got to give it some space because dough is a living breathing entity, it grows in transit, so you have to give it space. So it takes up a lot of cubic capacity in a vehicle and your transport transporting 30% of it which is water. So it's a simple change. What we did was we moved our stores to have a smaller mixer in the back of the store, back of house back of store. And we simply make the dough every day in the store. We use store labor, usually excess or dead labor, it only takes 15 minutes to make a batch of 20 Odd kilos. We're saving all that transportation cost of bringing water into the store. We're saving all that transportation cost of cubic efficiency because now it comes as a bag of flour, which is a very dense and tightly packed product. So on average, we see a 20% reduction in our logistics, which is a straight up 20% reduction on the carbon footprint of our logistics. So we've rolled back of house as we call it into all markets all the new markets we've bought, in the last few years I Taiwan is 100% converted Malaysia, Singapore, Cambodia 100% converted Japan 100% converted Australia New Zealand was already back of house Germany when we bought it already back of house. And we only running centralized duo at the moment in France and Benelux. And we have just started testing back of house very early days in the French market for the very south of France, which is a long way from Paris. As I mentioned, the other thing we're looking at is zero emission vehicles or low emission vehicles to electric trucks in the Netherlands and more to come both from our own fleets. And we're also working with our our third party partners to drive zero efficiency fleets there in European cities by 2030, you're just simply not allowed to enter Amsterdam with a diesel truck period. So the industry just has to comply. And that's seen an absolute explosion in technology and hydrogen and EVS to solve that problem. And then finally, in the supply side, where as part of our review, last year project Foundation, were moving to centralized procurement 12 markets over the years 12 sort of teams running, purchasing and supply across the group. We're starting to bring all that into a central procurement function and drive synergies and savings that way, early days, we're still in the process of embedding that in, but you know, will have a significant and positive impact on our business. So in summary, it's a complicated supply chain, as I say, over 3800 stores supplied by 36 warehouses delivering every three minutes sourcing from all over the planet delivering to 12 locations or 12 countries. It's complicated. And where and it's a significant part of our ESG initiatives as well. So you know, we're We're, we're happy with how it runs today, but we're looking forward to making it even more sustainable in the future. Appreciate your time today. And thank you very much.

Ross Curran - Macquarie 1:35:10
Hello, everybody, my name is Martin Steenks CEO, Domino's, Japan and recording this message for all of you from Japan. Let me run you through today to the status of the Japan business, the initiatives we are taking and the opportunities we are seeing towards the future. Before we start, I would like to give you a little bit of insight of my executive team, the team I work on a daily basis where to actually achieve those initiatives, as you can see, is that the amount of experience in my team is quite high. With more than 100 years of experience in the team together, we are forming a balanced team with Kakiuchi-san and Sasaki-san and more than 35 years of experience, we have Brett Moore from Australia, with more than 29 years of experience within it within the Domino's business, myself 26 years and mixed it together with excellent leadership from our finance team and partnership team, as you also can see is that at this point, we don't have a CMO in his market. Luckily, we have a huge support from the Centers of Expertise in Australia, but also from our global cmo who's now acting cmo for Japan. So he is now only focusing on this market until we are have on boarded a new cmo for this for this team, I can tell you now that we are at the final stages of that of that hiring process. So hopefully within the next weeks or months, we can introduce that person to this market. And until then Jeff Garton, our Global CMO will be you guys Acting CMO and in Japan. So at this moment from today, we have 1015 stores. And we were very pleased to open our 1000 store only a few months ago, October 10, of 2023. And that was actually a long journey towards five years ago. But the good thing is, if you look at our strategy from where we were five years ago, and you look at our strategy right now, not that much has been changed, actually, we sometimes have some mis understanding about well, everything changed during COVID are everything changed after COVID? No, we still have the same strategy for this market, as we had when we had the 100% ownership in 2017. And that is actually a good thing and also a consistent thing which is clear for the business where we where we want to be. So how we build this business is something I would like to show you for the upcoming months because this business is not in Australia isn't a simply copy paste from Australia, or Netherlands where I come from. It's a Japan approach. And do Japan approach is going after occasions and breaking down the barriers of these individual occasions. I'm going to talk you through these occasions and what they are. But the general approach of the whole strategy hasn't changed since 2017. And we talked about this during our half year where we talked about our four pillars or four approaches, or we talked about inspired new

products we launched cheese volcano. With the start of January, we launched cheese and twist in mid March which already gives us some some good results. And we launch or we start we started with a lower entry point is sub 1000 yen entry point mid February because we saw in all our research after that huge price inflation that if we have an entry point above 1000 yen, we are losing to most of our customers. So we are launched in February a pricing point of 790 yen, and that had some mixed results. So we are tweaking that now into a better a better outcome but also a wider adoption of proven promotion. So last year, we had some really good launches a few pizza. So we are bringing those those pizzas back on our menu for short term promotions, because those are proven to be right for this market. And I think the fourth approach here is winning inside aggregators. We see some really strong results at this moment on Uber and the mic on the market is our biggest greater platforming in Japan. We see some really strong results there already. But we are only at the start there which we see a lot of opportunities using this platform. So we are also exploring a three P deliver Ready, and in peak moments, because it's very difficult to have those staff members in that store for the peak moments, so we need to three pre delivery for that, for that location. And that brings me to our franchise network, we we still have a very, very big franchise network, a very strong franchise network here in Japan. And it, we decrease it from 133. And now until 124, it is mainly because of our existing franchisees are building out their total enterprise. So the average enterprise right now is on average five stores per franchisee, which is one of the highest in DPE markets. And I'm still actually very confident that that with this strong base of franchisees, we have a strong core for our future growth, because now these franchise stores are also breathing new franchisees. So, also this year we are entering or a few new franchisees are entering the system from existing franchisees, which is a, which is a good a good signal. So, we started this growth roughly five years ago, as mentioned 2017. Yeah, we looked at, we looked at some, we looked at some changes there back then. So we were not able to open all the stores in all these markets, because we simply were not able to deliver the goods to those to those areas. So we said, okay, let's focus on three things, let's focus on dough projects, or as we call it internally back of house dough. We are harmonized harmonization of the freight cost and strategic refranchising our business and that give us a lot of opportunities to open store, especially on these dough projects. As said we weren't able to open stores and advocates because we simply couldn't get the dough through his locations. And with the pOH. And with the back of house as we call it, we're gonna we're not able to, to make the dough in the store ourself. And gives us that that will get us a lot of flexibility and variety to open those stores in those locations. So what have we done so as you can see here is that since April 2019 versus where we are right now, you can see a lot of white spaces, especially with north of Japan. And we actually opened all these prefectures by prefecture in the past five years. So we were not only for trashing our existing market, no, we were looking for opportunities outside these areas outside these areas of Tokyo, Osaka, Nagoya, where we are, we're already highly penetrated. So we we saw the opportunities and we still see the opportunities outside these these bigger cities. The downside is, is that we see that all these areas are now still immature, because as you know, from the policy that our existing mature rate, or our mature rate in this market is much longer and much higher than other markets. And so it takes some time for those markets to develop themselves. But with all these projects were put in place, we were now able to open those white spaces in that in those areas. What is important here is that the franchise business was actually delivering the majority of that growth in those markets. And

Ross Curran - Macquarie 1:43:50

the other Miss consumption, I would like to address is that is or the question I get often is is pizza growing in Japan? Well, the short answer is yes, it is. Because this is only an overview of the three biggest pizza chains in this market. But yes, we grow to 1015 stores and the majority of the growth was during COVID As you can see our biggest competitor pizza is also growing pizza last steady for the past seven eight or 10 years in their in their store growth they have a different approach they are part of a bigger group, which has multiple restaurants there and pizza a lot plays a a small part of their of that group and they have a different approach of how they would like to see their their store network. But bits hot is following the sample. So they're also seeing opportunities. But if you go deeper into detail, if you go deeper into those prefectures, you actually see that in a lot of these prefectures, the local brands are growing as well. So which some brands have only six stores or 10 stores or 20 or 50 by They are growing their store network in those specific areas as well. So we see that expansion happening there. So which also is confidence for us that the pizza market is growing. And that and that's not only Domino's is expanding their business, all other pizza chains are expanding their business, their businesses, as well. So as we are the number one in in pizza chain, we are not the number one in all prefectures. So in 2013, we had we were, we were available in 17 prefectures, and we were in none of them, we were the number one in the market in 2019, it shifted, we were available 36 markets. And we were in eight of them the number one and by today we are available in 47 prefectures. And we were number one in 27 of them, which is good, but still some room for opportunity. Because that means that in other 20 prefectures, we are not the dominant number one, and it can be that one of the local pizza chains is number one there. But also one of the of the biggest competitors can be can be the number one. So there's a variety of who is the number one in that market. But there are some opportunities, and there are some opportunities, if you are the number one in the market, because you get more brand, brand awareness brand presence, you got easier on television, which is also gaining you a lot of extra growth in orders and sales. And we potentially, like make close, close some stores, it's super effective, because to give an insight in a few of these prefecture we only have between one and five stores, which is for us at this point very inefficient, because we need to grow that store base in that specific market drastically to to go on television, and to grow brand awareness. So we we predominantly want to focus on on these markets where we are already high penetrated? Or can we can we expand our store base there to grow go on the higher tier on television. Because during the past few years, did we make some mistakes, I think we did. The expansion of all these stores, I think was the right thing to do. Growing the brand was also the right thing to do. But growing in all these directions was maybe not the right thing to do back then. But it still give us the opportunity to grow the brand awareness in the whole market. But we see some opportunities there for the upcoming upcoming years.

Ross Curran - Macquarie 1:47:53
So as you can see here in this slide is an overview of our store network where we were in 2019. And where we were and where we are right now. The important thing is, is if you look at the a walk and TV market tears now I would like to give you a little bit of insight of what a walk and TV market tears means. It means that they're historical correlation in a walk growth and a walk stands for annual weekly order count, and be in presence on television. And we have four tiers. tier four means there's no television available, and tier three, a little bit more two. And in tier one, you're almost daily on television. So the presence there is much higher. And as you as you can see in this in this in this February over overview, you can see that in the markets where we were r&d, one television, we are also having to

highest or a walk growth. But also you can see that in 2019, we had a lot of whitespaces, especially in the north and the south of this market or of Japan. And those areas, we are now available but they're still immature. And still before mature cycle of a store in Japan is much higher than other markets. So it needs some time to build that. So but we also need to build some more stores in those in that region. And as Don told two guys, in the past as well. If you get more stores in those regions, you get more television, if you get more television you get more you get more ad funding comm you get more a work growth, you get more brand penetration. So it's really important for us to focus on the right market to grow and in which market not to grow. So because it's so important to grow from an average 500 organic growth order count to 600 a walk per store per week. That's our That's, that's our focus point at this moment. How are you going to achieve that? That that that order growth and also growing the profitability there? So our strategy is still delivering and our strategy is still towards our are we going to achieve that? And how are we going to achieve that is focusing on some key points there. And it's actually aligned with we showed you like a few years ago, like the sono consumer is still the biggest growing consumer in this market. And with the my Dominus box, which we launched last year, in February, we have a very strong position which we can grow still we are, and we are still seeing some good numbers that we're still seeing a lower double digit, week on week on to my dominance Xbox. And that's a very strong message towards the dead, we can grow that even more. So what are what are what are the right locations? How can we unlock those right locations? How can we unlock the lunch in the late night? And also how can we make sure that the McDonald's book is growing towards dinnertime? The pricing strategy, as discussed, we had a lower entry point of sub 1000 yen, which we launched a few weeks ago. So we keep building on that, on those on those initiatives. Also, what can we do with late afternoon or what can we do with child friendly weekday. That's that odd occasion are important for us. But speedy speedy lunch pickup as well. So we are we are testing at this moment grabbing go which means a customer comes in as a few options to choose and can grab these products in game go straightaway. So which also gives you the customers the opportunity to leave the store immediately. The other thing we are focusing on this, we are now filling up the marketing calendar set with proven promotions setting the barbel strategy right there. And make sure that that with that lower entry point, the seasonality on one end and in the end the the right promotion with inspires products to be delivered. That's really important for us at this moment and growing on the aggregator platform as well. So, we are continuing to implement the long term strategy we outlined on acquiring the business which is delivering results. We acknowledged we have had some short term issues, which we need to work through and we believe we have to plan to do so. So our near term focus is identifying are working on the challenges we already identified, which is rapid expansion during COVID has resulted in a larger widening of immature stores. The breadth of our expansion resulted in some of these immature stores are operating in under penetrated markets. Improved unit economics corporate and franchised relies on higher average weekly order count. A walk should grow grow from 500 average to 600 average per week. Higher a walk requires a small increase in frequency through new occasions and primarily reaching infrequent customers with successful promotional offerings. Sales building initiatives are in an environment of lower available media spend per store. So what are the actually the actions to overcome these challenges? So working with franchise partners to accelerate store maturity and profitability, review and test prefectures with sub optimal a walk to determine whether stores require an improved store execution of local marketing additional DPJ marketing spends to support growth for the entire prefecture. In a small number of cases, we need to have the consideration of ongoing viability of the store. As a promotion driven market, a detailed and ongoing inspired product pipeline is essential under the leadership of a new chief marketing officer or who we are we are going to appointed shortly we are going to achieve that. And additional incremental frequency will be gained through building occasions through a product such as the mighty Domino's bucks. Where do we see our future outlook? This is still where we see our our our market can be in the upcoming years. It's it actually means now building the system. And we have to build out this opportunity, there will be some points off of pitch and starts, but we are building him a set we are building in maturity, we make sure that our franchise partners have the right support to grow into that maturity. And to get them to the level of the audit committee wants to be for at least 600 orders per store per week. And that's actually our focus point at this at this moment, right now. But the bit long term opportunity is set in front of us. So the long term vision is clear, we have we have some work to do to build maturity in all these markets. With that said, I hope this presentation would give you have given you a little bit of better insight of what the current status is of the Japan market, what the opportunities are, and what we are going to unlock in the upcoming weeks, months and years. Thank you very much. And if there any questions, I will be available.

Sam Teger - Citi 1:56:05
Thanks very much thanks for the presentation, given the amount of upside in Japan compared to other markets. And you take that into account. With the balance sheet constraints you have at the moment, you're not better off exiting capital heavy markets such as Malaysia and investing their capital into Japan to scale up some of these less mature prefectures.

Don Meij 1:56:27
It's an interesting thing with Malaysia. So the question is whether we should be exiting well, what could be interpreted as capital heavy markets, actually the non capital heavy in the sense that Malaysia and maybe Singapore, we haven't made a decision on Singapore, we haven't started the franchising program until this quarter. So actually, as we sit today, we will be franchising him before we open stores in Malaysia, because obviously Malaysia has got the external influence right now. But it is our when we look at our balance sheet, there is pent up capital sitting there to release stores still out of Japan out of Malaysia, Singapore, Europe, Australia, New Zealand, and even in Taiwan. So when we're in this phase, actually, one of the reasons that was still showing quite confident is that we're not opening as many stores and yet we still will be selling stores. And you'll see that in the corporate sale numbers out of out of Australia. So one of the ways that I think, if you recall that I tried explained it at the half year and a full year and half year is that, when you see how these businesses work, is that obviously it always starts with the customer. Everything starts if we line it up with the customer, we get the right margins, that flows into our franchise partners. If our franchise partners have had a period of, of stress, then there'll be still a gap moment where we proving the balance sheet paying down any bad debt, super taxes, all those sort of things. And then the next a lot of demand, normally, it goes to immediately the store access. So whether somebody says look, DP DMPS interest is premium interest, because we're not wanting to be the bank in the long term. So I may go to a bank and refinance my existing network. Or I might look to the corporate store network as an availability because that's a such a site I can see today. And and I might be opportunistic, and then the final leg of growth is then store growth. So that's typically the order. And you'll watch that happen in when you see the numbers in Australia. And you'll see we have breakout Germany, but that will be reflected from Germany, but as a micro petri dish, you'll see that flow in that order from Australia. And our margins work that way too. And that, you

know, the first recovery starts with the customer to the franchise partner. And as you saw on the last half for all of that growth, not as much comes to us, but then you start to see it in the next window as in debts paid back, we start reducing any support businesses growing their incomes flow through and so on. So yeah, there's no hope that answers your question that there's no intention because we don't really see Malaysia as capital heavy.

Josh Kilimnik 1:58:54
Just done on Japan, I'm just trying to work out is today a bit of a mia culpa that you've rolled out too quickly? Is there anything it feels that today sort of ignoring that if you've seen reduction in franchisees, you've got to get the average orders? I think you mentioned on the presentation that you've cut the obviously your pricing down to 790. If you haven't seen the frequency lift, but the strategy field feels very consistent as good. If not, so there's got to be change, but doesn't need to change. You need to support the business more you need to put more pricing. I'm just trying to understand the significance of what you're saying. You're saying there's been no change. Are you saying you got to rethink and recalibrate.

Don Meij 1:59:31
So just checking Josh and man, did you hear that question from Ben?

Ross Curran - Macquarie 1:59:36
Yes, I did. I think I can answer the question. Good afternoon, everybody. I think it's very healthy to repeat your strategy during the year and say, okay, as I mentioned in my presentation has ever paid 790 or 750 range, we are just introducing it only live for a few weeks now. So it's hard to ready Make a decision there based on the APR or other vital long track. But that's aligned with what we should do. Also, because we saw the biggest drop of our customers in that first two ranges. So every sign of that 1000 yen, pricing, a tipping point was actually a tipping point, we're doubling out. So I think we, we made the right decision there. And the first part of your question, if I remember correctly, was about if we opened stores too aggressively,

Don Meij 2:00:36
correctly? Correct.

Ross Curran - Macquarie 2:00:41
So also, in my presentation, I talked about a few stores, we are currently reviewing, say, okay, are these stores necessary? Do we need to put some extra marketing against there to increase the sales? Is it it may be because of bad operations in the area that we need to improve the operations of the store to increase the sales? Or do we need potentially, because the store as I said earlier?

Don Meij 2:01:12
Josh, anything you want to add to that, and I can close that out?

Josh Kilimnik 2:01:17
Oh, look, I think it's we want to be late. We Yeah, we opened rapidly. We saw opportunities to do so. We've got to be without prefectures, you know, get through, get to what we would use critical mass

index one high school optimize a network that we can. You know, it's hard to sort of, you know, 2020 hindsight, we probably would have concentrated on fewer rejections, but we there now, and now we need to sort of continue with this strategy. That was really, what Mark was saying is that it hasn't changed too much. And when we started, we're gonna keep going on that track. And keep pushing through that stuff. That's really what Yeah,

Don Meij 2:02:01
yeah. So So one of the things that we think about is that, if that, obviously, there's a number of cells now that are immature in the cycle, right, and then predominately in these new prefectures as the chart show. So the question you ask yourself, is that what is the timeframe to get further up that curve into maturity, if it was going to be too long, because if you saw on an outline, it was a prefecture that it just it seems so distant away, that that could even be considered that it could be a close, but you're talking about it's very, you know, talking about a relatively small number on the scale of our business, because in other cases, we say, we've already sunk the capital there now. And if the bridge is one, two or three years, what might we do either to support or just hang in there and go through that cycle? So yes, as Josh said, if in 2020 hindsight, you probably would have entered less prefectures in that growth phase. But now we are in some of those prefectures, are we going to keep infilling over the next two or three years as we see the recovery as stores cycle up the maturity curve? Or is it just too long?

Don Meij 2:03:10
No, but in saying that we also is sometimes is it better to give a market support financially? Or is it better to inflate the NAF? In other words, spend the marketing dollars? And that's a question that for various different reasons, but dynamic. And, and so we we look at both case studies. And we're also partnered with DPZ. And they also see Japan is one of the biggest markets in the world of the future. So they're also sitting with us and doing the same analysis to support us, because they would, you know, we're a high performing franchise partner, Japan's high performer in recent years and long term. And so together, we're both doing this analysis and checking each other to say, well, what is the right thing to do here and these decision makings, but it's not like it's a we're not talking about a significant number of stores. Here, you're talking about smaller number of stores that would ever go to the most extreme, where we say, ah, five, seven years, is that too long for capital? Or is it really one to three years and let's put money behind it or support the franchise partner?

Michael Simotas - Jefferies 2:04:18
And oh, my mind follows on so it probably makes sense anyway, we don't really get the numbers, but it looks like your average weekly sales in Japan's maybe 5% below pre COVID. And if we look at the whole country, can you talk about what that metric would look like? If we look at the mature prefectures, so we can kind of isolate the impact of the immature stores in the immature under penetrated prefectures? Yeah.

Don Meij 2:04:45
So I'll start on that. And then Martin, you can add or just you can add to that, but the mature prefectures are predominantly Tokyo, Nagoya, Osaka, that's what the business was for most of its life. And but in those markets, you've also Got a higher cost structure. So, historically, you know, you've got a higher rent, you've got higher, you know, related controllable costs that go with that, because they are the big

cities of Japan, just like in most of our markets, Paris, Amsterdam, Berlin, versus if you'll go, you know, Tamworth or Brisbane versus Sydney and Melbourne, there are different cost structures that relate to that, including in some cases, even in some markets, labor is also different rates by different markets around the world. So a store in a regional or smaller town, potentially has a lower breakeven as well than a, you know, just just the one input alone of rent would, you know, especially even in Tokyo, it's so big, you know, 20 million people, as you get down more, really downtown urban, the rents even go up even more, and you find out locations get smaller and smaller per square minute as well. And that's that dynamic plays out here, too. So the, the looking at those mature markets, they're mature, in more expensive markets were immature in typically, on average, a lower cost mark, so the differential is not the same. They're not an apples with apples. So we've diluted even our A was snubbers by opening into markets were immature. But we'll get to break even a lot faster than if they were just downtown Tokyo or Osaka.

Michael Simotas - Jefferies 2:06:26
Sorry, yeah, that's helpful. Can you compare the mature prefecture I was with what it was before COVID, just so we can get a sense of how far off

Don Meij 2:06:38
yeah, Martin, maybe you can just give him some generic commentary, the market update?

Ross Curran - Macquarie 2:06:45
If you look at my Yeah, if you look at my present, if you look at my presentation, prior to go get a quick look, we were not available in more than 36 protective time. So the majority isn't these protectors we opened in the past few years. So Hokkaido, for example, wasn't wasn't, we didn't have any stores in that region, before 20 2018 and 2019. So it's, it's that mature cycle, we need to, we need to we need to build on those in those areas. And we see a lot of opportunities actually in other areas, because there's not mentioned, we got a lot quicker to bring breakeven points because not only do rent but also do if you if you look at the percentage pickup and delivery, this is a big shift from the severe cities to these more urban areas,

Don Meij 2:07:37
high carry out country. And you know, and they're not all the same to it. Part of what Martin's presentation said is that there's also different competitors. So there may be a long entrenched mature competitor that's just regional only exists in those prefectures. And we are the new player in those prefectures versus we might go in and it's been a week competitor or no real competition, and we've actually done better straight off the bat because we've become a national player immediately and and shown that through. Josh, anything else to close that question out?

Josh Kilimnik 2:08:12
Mature prefectures we don't we've we've cut down even prefectures. So I'm not sure where the cut what currency you're looking at. But we're pretty close. We've got, you know, we don't need to store to be a great business as Martin Sorrell said, we're very close. So yeah, we're just got to get over that strategy.

Don Meij 2:08:38
And it's a really important comparison, because I noticed sometimes an analyst will compare a DPE business to DPG or DPZ. Just we're now quite heavily weighted in Asia. And the Asian markets have a much lower order count breakeven because they're designed with lower frequency. So typically globally, 1000 orders was the dream. Domino's would say go to a market get to 1000 orders, you're gonna have a successful business. But in parts of Europe and Asia, the dreams could be 600 orders or 650 orders. And we might have we may have bought a business doing 400 orders 350 horizen Taiwan's case, and actually, Taiwan was actually making a little bit of money through the orders. So some of these comparisons are not apples with apples, because low frequency markets have built in different cost structures and different price points to their menus and actually thrive at lower order counts, then other Western markets.

Lisa Deng - Goldman Sachs 2:09:32
Maybe a question for Michael, in terms of our sort of next level or more dynamic marketing strategy. If we look at a lot globally, a lot of our competitors or peers in the industry are really trying to amass much more first party data from different channels and then trying to do a little bit more targeted or personalized up the conversions. And hence, often it's hand in hand with potentially an app strategy or a loyalty strategy because that's private domain. We didn't really talk much about the strategy or the loyalty strategy. Where are we sitting in that? I know that at points we tried to really build out.

Shaun Cousins - UBS 2:10:11
Yeah, definitely. So I think if you think of loyalty, don't think of the loyalty per se as a loyalty program, because we got to think about loyalty is retention of consumer. And then when you talk about retention of consumer, it's about how do we continue to both increase frequency. So I'm trying to get the team think about buckets, you've got your new bucket, new consumers, you've got your low, medium and high frequency, and how we continuously look at what takes a new customer into a low because new new customers just don't jump to a high frequency overnight, then one takes a low to a medium and a medium to high. And then how do we segment our communication? Not just based on that, but then how, what little tweaks we need to do so it could that be as subtle as on the pizza delivery customer personally. But I might get pickups on time, and we had some markets go too far down the track of you, I just want to receive delivery, their delivery customer, I'm just going to take delivery, but there are times and they want to do an alternative. So coaching teams do we look at a delivery as the headline price, but you still have a subtle pickup prices still are still still an alternative option for that customer. So you've got the pricing that can be targeted based on the outcomes. And then we've got the experience. So going down is something we're looking at untested is in your basket, we've got 80% of our sales digitally. We've even rolling out we were laggards in chaos. But we weren't whether we're early players, and we got so many customers into the digital space before competitors. That chaos sort of were a secondary autumn for us. And we're rolling that out. So a lot of our learnings we're talking about now, even down to personalization can also be basket based not just knowing the consumer from pre purchases, how do we actually target consumers that are new that we don't have history on but we'll get the basket through that 510 minute ordering cycles. So we're looking at targeting across all those do do targeting. And then on top of that you can overlay a loyalty program, if it makes sense financially, and Europe do run multi programs in some of those markets. It's highly popular. And then what they do is reward based on purchase consumption and frequency. And you've seen the US do that as well and

they played with tears now you can get small things for less purchases. So we are we are reassessing all the time is loyalty making sense in our current markets from a loyalty program. What makes sense in other markets, it may not have loyalty now, is there a chance to adopt it? Is it points based? Is it service based, but primarily every communication that we do whether you new and existing, will continue to become more revolved around personalization and down to your unique experience in your basket.

Don Meij 2:12:33
One of the differences between our other major QSR competitors is Digital's a four year experience for them. So you'll hear them vocally banging the drum or drawing people into the digital world. 2005 Digital Business buildings are now at 83%. Digital. So in a presentation like today, a lot of what they're talking is new news is already old news. And it's not like I haven't removed things from his presentations. And Michael, that's like that's the business that we've been doing for years. It's not a new news first strategy presentation. So what what you'll hear a lot more from Michael is the next generation of what we're doing a for that 80 83% But also that last 17% mile and what we're doing to that

Lisa Deng - Goldman Sachs 2:13:19
like what have you dissected? You know what the potential consumer segmentation is what the issue is? Is it a recruitment issue? Is that a leaky? Like what, you know, what's a retention issue? Isn't an upsell issue? And then what are we doing specifically, because if I hear Martin, it's a lot about tier one, TV, driving sales volumes, TV awareness. Conversion.

Shaun Cousins - UBS 2:13:47
I think it's a great point. And, you know, feel free Martin and just to add to this, but ultimately, it's still still the same price we'd use across all markets, we've got to look at the frequency in Japan is the least out of a market. So okay, so you've already got less chance for the inaccurate less repeat purchases. So even if you win new customers, you've got to wait longer to know that customers coming back, a. But what I believe that offers is a great opportunity to one extra order from every Japanese customers transfer transformational to the business because you're awful law base. So what we're looking at now is pre looking at the last year, year and a half, and the current data and looking at you've got processes to do to take into account whether that be by trip voucher and menu price. The products that were released most recently have that brought new customers in or we try to up existing customers. So a lot of that analysis happens. We feed that back we were the local team, and then adjust that to win new customers and when we get those customers and keep them like a soldier that lapsed and so forth. Suddenly that's

Don Meij 2:14:43
really, really important to a low frequency market is that media does buy a lot more acquisition than a high frequency market. But it's not even just recruit it's a constant. It's if you've recruited one word of saying I'm better A proportion of sales historically through a low frequency market is literally, I mean, it's amazing how effective still TV is in Japan, by the way, still effective in Australia, but it's always diluting. So these media mix models. And you know, Josh is an expert on that. So you can probably add color to this. But the this monthly media mix models, also is really helping us and trying to watch these customers in and out of the channel funnel. But I mean, it's nearly twice isn't it Josh, twice the numbers

of customer acquisition from media versus in a more mature market like Australia, or high frequency market,

Josh Kilimnik 2:15:36
interfering media, linear heavy markets, in a nice TV and print. That is the number one things that we're going to do, which is surprising in this digital world. In some respects, we actually all cut through now than we ever did in the letterbox because there isn't, many people do yet. And then, you know, it complements each other. So as soon as the various messages are across a number of different media, you can imagine the same Chictopia in three seconds, at least when you get it in the letterbox you get you always make a big walk, which has been releasing in 15 minutes before that actually happens. And that's, that's quite an important thing a week, we thought that the closer the fridge, which we're actually seeing right now. But you know, what? I always described as you know, we're not in the lexicon of what do you want for dinner tonight, to your family. So you have to be sort of out there saying that you can have pizza and pizza and pizza. Because it is that sort of article you are not a you know, not a very decent food with it with a chocolate bar, check out for the Australian viewers, you know, we have to do there. That's TV that's print. And that's also all digital and connected to that as well. So yeah, it's a, we haven't been more immediate just to attract the customer. And then Michael's job is to then convert them through at a higher rate. And,

Don Meij 2:17:02
and even because sometimes we're not taught to go into basic one on one marketing, but media is one thing, product, and promotional price, right. So we can have we could go out there and blow the airways of Japan where you go and put another $50 million on television. But if we didn't have the right product and promo we'd be really diluting vice versa. Some of the product price like the volcano looks really weird to an Australian, but very entertainment and very much on tune with Japan and overwrites the media spend then. So in a market like that we also track sometimes when we're seeing winning things, and we pursue those even more than I went back to the retail before, when you have inspired products, you sell for a price you sell out otherwise you get discount, and that's the flows that go through. Japan's a bit more extreme.

Ross Curran - Macquarie 2:17:52
I can do small addition to get to the question of the important GOTV demand because I talk a lot about GV, but it's more about balancing it out, As Justin mentioned, right? It's TV. It's print, it's digital, it's the appearance of the story to local in the local community. But to give it a bit more of an insight into TV and the third Sunday of March, we were on a special television show which pan which is called junction. And we were three hours on television. And it was only about Domino's. And they are they were judging 10 of our products. And the impact the days off there was actually massively, and it was free free marketing for us. But that was really, really nice. There's shows that we can get more TFTP, especially in Japan, and also due to our media mix modeling is really easily significant.

Craig Woolford - MFS 2:18:48
And I'm going to explore store rollout or opportunities mainly on Australia. And that's a market that's obviously doing well on a number of levels. Can you clarify? The soul rollout looks like it needs to be about 60 stores a year of openings for Australia, New Zealand haven't really done that in the past. So

what would drive the acceleration and you hinted at the store payback getting down to three years, I can just confirm some of the metrics around that. Yeah.

Don Meij 2:19:16
We're not we're not just to be really clear, we're not a three years as this very day, and we have the seasonality and our best months are some of the best months was we didn't 40 season now are right in front of us and that leverages into the whole average. And that's when we predict numbers like I'm walking from this meeting to a franchise Advisory Council where we're also mapping out the next few months of how all the margin settings that we think will happen. But coming back to Australia because we've gone from a rebuild period where we've been really slow how many sales you've done this year so far eighth and 17 or something in Australia to it's a small number that we will build so it's all going to still come down to delivering on the profitability the deeper we get into making the stores more profitable. We we think we've got a unique position right now, as we've talked about in our strategy, if that continues, it's an if, if that continues, the way we're laying it through, then you'll see those stores ramp out. The only other caveat for Australia is, as I mentioned earlier, is geographically infilling stores is challenging, because in most of Australia, we do service it, but we don't serve it as well. And any of the comparisons, if you live in those areas, that makes sense. As soon as you go, yeah, you're right. I would never wouldn't have picked up from a dominance, but now it's in my neighborhood. I do, you know, those sorts of things. So yeah, there is a bit of timing alignment to that. We just will come back and update as we're a bit more clear all of those dates at the moment, as we highlighted the half year or for review, based on how quickly the business recovers, and to what depth it recovers.

Bryan Raymond - JP Morgan 2:20:56
Just back on Japan, the uplift the 20% uplift from 500 to $600 per week, how does store rollout play a role in that obviously stores can help by getting close to the customer and drive a better customer experience. But the same time it dilutes the store the dollars the personal numbers. So should we be expecting further store closures in Japan? Money pause for a while? Or do you actually need that store to achieve that? 20%? Uplift?

Don Meij 2:21:26
Yes. So what we tried to telegraph in February and today is that we are in a pause in Japan. Now a pause means that they're still franchise partners. We're talking averages, and they still franchise partners who will open the store here and then but typically, we're in a pause mode to get our 600 orders plus, and, and once we can see that that's got a continuity and consistency, then you go back to store growth again, because it's a night, right if if we've done that profitably, we didn't just buy the customer, but we did it profitably. Then the nature of we franchise partners will go through that cycle I talked about earlier, they'll pay down balance sheets, they'll start buying our own stores, and then they'll start opening their own stores. It's such a I mean, we are in and out of it all the time. And so but what we want to talk about, and we were very clear about this in February, is we need to see it consistently over 600. But we're in and out of all time. I mean, Matt just shared a moment where we were way beyond that even and, and so but we need to see it back to back to back to back to back. So that's got all the competence, continuity for banks, for ourselves, for our franchise partners, and so on before we do that.

Ross Curran - Macquarie 2:22:37
Sorry, it's Ross Curran from Macuarie. Just pick up on Bryan's question. Can I take you back to the end of your presentation section? So the slide 31, and you just talked about putting the countries into buckets. So both two or three had Malaysia Benelux, France, Japan and Taiwan? Can you just clarify your comments around that with the store openings? And how we should think about this path of openings? Is those five regions over the next three or four years?

Don Meij 2:23:04
Yes, that's a really good question. So if you're in bucket two, right now, you've just got gradual growth at the moment, you know, if you're in bucket three really limited growth. So until what we we don't want to do is put promises out there of when does a market go from bucket two, bucket one or bucket three up to bucket one? Because we really need to show a consistency of a six month rule to bring it to the market and say now, it's either now it's gone for three, two, or it's gone for two to one. Yeah, so right now you would assume that only bucket one is going back into full growth mode. Bucket two will have some gradual growth Malaysia is interesting, because it's not a broken business. It's a business that's just got an external influence on on its numbers at the moment, huge enthusiasm and encouragement from existing management in the business because it's been a full corporate business. So they want to franchise. And I'm not sure Josh, if you want to add anything to the Malaysia story.

Josh Kilimnik 2:24:06
That's exactly right. With franchising, we will see as these hits. We spoke with just the the half we have our previous CEO and actually franchising, so that's actually an important step for us. In attracting people. People are lining up with a lot of managers and we're, you know, they can see that Domino's is going to change their lives. And then once all this other stuff dies down there will continue to scale as patient, but as per our business plan. There's heaps of heaps of models, we're exploring a we're looking at, you know, because all age is kind of a little bit. You've got the KL and that's a different sort of trading environment as opposed to East Malaysia. So you'll see different sort of models stand up there, and small footprints most likely more during events. So we are to have adapted to the market, but it's going to be done through most of them. Both were envisage in through franchising, and also selling the corporate stores in that market. So you just got to get the balance, right, because you, you've got to grow, you're growing your benefits and grow your franchisees. And if you wanted to learn together, Japan's we rushed so fast, and now we're chasing a maturity cycle. We're always through that, then we're just going to be balanced in how we grow in, in Malaysia. And but we still as was was, we still believe in the business plan. We've just got this external stuff

Shaun Cousins - UBS 2:25:38
grep out the Shaun Cousins, UBS just done two questions, if I can let me just on aggregators queue just talk a bit about the economics around is it sort of higher value of this percentage margin given that and then maybe just to be really clear on the store growth, given your to be trivial to beat the market to of the three big markets in Japan and France and what changed? We should expect that you don't achieve the seven or 9% organic store growth, that if you three to five year outlook in fiscal 25, as well as what you've said in 2024? And is that seven or 9%? Three to five year Apple even relevant anymore? It doesn't it's just a caveat, until profitability get curious around.

Don Meij 2:26:19

Yeah, really two really, really good questions. So based on the structure of our new contracts, it typically in Uber, it's really surprising to us but our franchise partners, actually more profitable, often with an Uber order than our own platform, are both. And part of the reason to that is that our menu price, there are coupons don't work in Uber. So there's not anywhere near the value offering. And it is slightly not on everything, but it is a slightly higher priced. And so it's really funny because it's one of the fun things that we talk with our franchise partners about at the moment is I make more money from the platform, what's going on here. But you know, it is a pure play, and we get a lot more loyalty. And we don't, you know, customers enter our funnel, and we have a very high conversion, we don't have a bleed, there's all these other benefits. So and it's still 90% of our business, our own channels in place like Australia, and 80% of our digital business in most of Europe is also our own channels. Now, coming back to your second question was related to also growth? Yes, yeah. So we, you know, we, we kept a seven or nine as an error, because we still really believe when the markets are firing, that's our number, but we will not achieve that in this year or next year. Because as you highlighted, we have too many of the significant markets in bucket two, bucket three. And and so the question then is, well, what people want to put stuff out there, and we're saying, well, we can't put a number out there till we see these businesses into those healthier areas. You know, one of the questions is, and I love all these questions, because they're fair, and especially as we get a new profile of shareholder assessing us at the moment is that other businesses broken? So 64 year old business brand, and we've got a few problems and challenges in some of these things. But we're still, there's nothing that that says to us that these are not things that we can't fix. They're not, you know, we haven't experienced what's going on Malaysia. But when you look at how well the management team has responded, and the fact that we we were just lucky with the timing of the commentaries and so on, it still amazes me the performance when I see the p&l that are coming in that you know that if that was a pure corporate market in Australia, and we lost that much in one day, we might not have been scramble as fast with our structures and and the way do you think so? Yeah, the ones that that have the longest hangover to that stockout effect right now, France and Japan and Taiwan. But I will say to you, that the markets that can respond the fastest to store growth for Japan and Taiwan, because for whatever reason, with Europe, it takes that nine to 18 months to get a store open. I mean, Japan's outsides open in six weeks for finding a site. I mean, it can you're talking about three months cycle. So when Japan does bounce, and you've watched that, you know, the evidence is in the results. You've seen how quickly as soon as results hit the stores just came almost within the same half over announcing, like like the stores are open as well. We can't do that in Europe. And even through most of Australia outside of Brisbane, we can't do that as well with the different councils. So yeah, hopefully that gives some some ideas.

Don Meij 2:29:30

So everybody got two more minutes. We can talk around lunch, but thank you. The

2:29:34

question I had was just on the costs program, which you've reconfirmed today. But you're only talked about fy 24. So I just wanted to understand about fy 25. Because it's going to be an important driver as well.

Don Meij 2:29:48

Yeah, that's a really good question. So the biggest driver of 25 is the annualized results of the actions. So the actions from all of the charters were as early as the In July in a in a in Zed, but a lot of it happened in September, even in a in Zed, and you went throughout Asia into Europe. And only as recently as 10 days ago, we had the workers Council sign off on the plan in France, which was the last market. So if you can imagine, and now that's being implemented as we speak, so you then get a full 12 months flow through of those restructures. And also the migration to the new support office shared services. So we've already got a head of shared services. And he already has 80 team members that are getting up to speed, the shared service officer will be something like two to 300 people, those roles are being hired and replace them filled. So that the benefits start that's right flow through into next year. And of course, then in 2016, you get the full analyzer both that have come through as Yeah, so that's how, and at this stage, as far as Michael, we're on track with the shared service, David, these two guys run that.

2:31:05
Yeah, thanks. Just quickly on the comments on third party delivery opportunity in Japan, can you talk a bit more about that? Like how material could that be? Which regions do you think is the big opportunity, and just, I guess, the pros and cons of doing that.

Don Meij 2:31:20
Because just for the essence time, I'll close out really quick, um, 3pm. Japan isn't as profitable as it is in some of the other markets because of how actually low cost our own wage model is. But the three P is picking up out of time. Businesses, so that's when you know, when we do extended trading hours and end in these ones and twos, low water market, they, they still add, and that's when the time we wouldn't we don't have our own driver there. But the three P delivery is far more material in places like Australia, New Zealand and Europe where you've got big penalty, right moments, and also out of trade moments. So it's been really helpful in France right now. Our business closes between two or 230, and six and 630. And when Andrew Rennie and I being naive, Aziz went first went to France, we open to like what resources? What do you mean, people don't eat in the afternoons. And we were wrong. As we bled those corpses for nine months, nobody ate in the afternoons. That's changed. So in the since 2006, when we arrived in France, some 18 years later, we're now got high consumption of relativity, we're more familiar. And maybe that's been grown by aggregators is grown by migrations grown by youth changing from traditional French culture. So we are now rolling three P and opening our stores, which then leads to once we get enough volume, we then open up our own Olo. And then we can bring our own drivers in. And also during COVID. We were close all of our stores early because we can imagine everyone went to bed and low labor, employment market, it's been hard to get markets to open. So we're leaving that with three P plus locks, right, we've already reopened and rapidly we've got longer hours. But that's how we look at three p as a testing place for us. We do monitor NPS, we do monitor product quality, and we're constantly talking to the partner of three P and we may even threaten to pull it if we don't think it meets the standards because you know this is a to the next place. It's a pivot to the next place, not replacing our own drivers.