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DP Poland PLC
("DP Poland", the "Company" or the "Group")

Full year unaudited trading update for 2022

DP Poland, the operator of pizza stores and restaurants across Poland and Croatia, is pleased to announce a trading update for the full year ended 31 December 2022.

DP Poland's Chief Executive Officer, Nils Gornall, said:

"2022 was another year of transformation for DP Poland, entering a new territory in Poland, completing the rebrand of all Dominion stores and strengthening both the Board and the Executive management team.

Since personally joining the business in June 2022, I have been consistently impressed with the energy and enthusiasm shown by our staff and their commitment to making the necessary changes to maximize the potential of our business.

Average delivery times in H2 2022 were five minutes lower than in H2 2021, delivering a higher quality experience to our customers and helping to drive higher customer retention rates. Three stores also averaged less than 10 minute delivery times over a week, setting new records for our business.

These efforts have resulted in consecutive record sales weeks being achieved in 8 weeks in H2 2022. Like for like sales increased in Poland by 21%, whilst total system sales were up 20%.

In Croatia, operations continue to go from strength to strength, with total system sales increasing 93% in 2022. This was supported by 1 store opening through the year and 2 planned in 2023.

However, 2022 has not been without challenges. High inflation and tight labor markets may persist in 2023 but we are focused on further optimization projects and expect performance to continue improving. In January 2023 we are also launching a TV campaign, which is expected to significantly drive further revenue growth. "

Strategic highlights

- Full conversion of all Dominion stores to Domino's branding was completed by the end of 2022
- Portfolio review completed, with 8 stores closed as part of our post-merger relocation plan to optimize store locations and improve profitability
- The first TV marketing campaign for 5 years is due to launch in mid-January 2023
- David Wild, ex-CEO of Dominos Pizza Group announced as proposed Chairman on 30 December 2022. David is expected to be appointed to the Board in early 2023, subject to customary due diligence

Financial & operating highlights

- Cash at bank of £4.0 million as at 31 December 2022 (2021: £2.7 million) following a successful fundraising to raise gross proceeds of £4.8 million. The fundraising has enabled investment in the business including in store development (openings, store conversions & post-merger adaptations in Poland and Croatia), funding the TV campaign, working capital optimization (i.e. stock purchases to protect against inflation), upgrading of the scooter fleet and IT system enhancements.

Poland

- Like for like System Sales¹ increased in 2022 by 21.0% compared to 2021 and up 13.4% in Q4 2022 compared to Q4 2021
- Total System Sales² increased in 2022 by 20.2% compared to 2021 and up 11.8% in Q4 2022 compared to Q4 2021

2022 vs 2021	Q1	Q2	Q3	Q4	FY
LFL System Sales	21.8%	25.6%	24.4%	13.4%	21.0%
Total System Sales	23.2%	23.9%	23.4%	11.8%	20.2%

- Dine-in business recovered strongly as COVID-19 restrictions were lifted in Poland, driving a 55.3% uplift in sales compared to 2021
- Carry-out business performed strongly, up 85% on 2021, benefitting from increased focus and a strong customer value proposition
- Delivery business increased 5.2% in 2022 compared to 2021, despite consumers returning to the dine-in business post COVID-19 restrictions lifting

Croatia

The Croatian business was acquired by DP Poland in June 2022.

- Like for like System Sales¹ increased in 2022 by 8.7% compared to 2021 and up 20.4% in Q4 2022 compared to Q4 2021
- Total System Sales² increased in 2022 by 92.7% compared to 2021 and up 81.7% in Q4 2022 compared to Q4 2021

2022 Vs 2021	Q1	Q2	Q3	Q4	2022
LFL system sales	-10.9%	8.7%	13.4%	20.4%	8.7%
Total system sales	44.2%	93.9%	163.7%	81.7%	92.7%

¹ Like-for-like System Sales growth in Polish Zloty and Croatian Kuna respectively, matching trading periods for the same stores between 1 January and 31 December 2022 and 1 January and 31 December 2021

² System Sales - total retail sales including sales from corporate and sub-franchised stores, unaudited

Review of 2022 and Outlook for 2023

2022 saw the operational completion of the merger with Dominium, with all stores rebranded to Domino's by the end of 2022. We continue to strive for the best customer value proposition to our consumers whilst delivering a High Volume Mentality across all stores.

Strong inflation and a tight labor market was a headwind through the year but despite this, strong sales growth was reported in all quarters. This trend is expected to be maintained with the support of a new TV campaign starting on 16th January.

Despite inflationary pressures on food costs, energy and increasing wages across Poland, business profitability stayed on a positive trend over the last six months and is expected to be close to market estimates for 2022. The Board will update the market as soon as the outcome is known. The expected recovery of tourism and stabilization of inflationary pressures in 2023 should provide a positive impact on sales and profitability.

The Group expects to continue store openings in 2023 and to increase its share of sub-franchised business vs corporate stores.

Trading performance - Poland

PLNm	FY2020	FY2021	FY2022	% change vs. 2020	% change vs. 2021
Total System sales	157.8	164.9	198.2	25.5%	20.2%
LFL System sales	152.7	158.3	191.4	25.4%	21.0%
Dine-in	21.4	19.6	30.4	42.0%	55.3%
Carry-out	14.0	19.1	35.3	152.3%	84.7%
Delivery	117.5	119.6	125.8	7.1%	5.2%
Non-LFL System sales	5.1	6.6	6.7	31.1%	1.4%

PLNm	4Q2020	4Q2021	4Q2022	% change vs. 2020	% change vs. 2021
Total System sales	39.8	47.0	52.6	32.0%	11.8%
LFL System sales	38.5	45.2	51.2	32.9%	13.4%
Dine-in	2.1	6.5	7.2	240.9%	9.6%
Carry-out	3.9	5.8	10.7	177.3%	85.7%
Delivery	32.6	32.8	33.3	2.3%	1.5%
Non-LFL System sales	1.3	1.9	1.4	3.5%	-27.4%

The 11.8% Total System Sales growth, and 13.4% Like for Like growth, in Q4 2022 versus Q4 2021 demonstrate the organic sales growth potential of the Group, which may be doubled with the support of TV commercial whose launch is planned for mid-January 2023. Sales growth versus last year has been fueled by a recovery of the dine-in business, as well as a development of the carry-out business, which demonstrate stable 80%+ growth rate over the year. It is notable that delivery sales have been maintained despite the boost of dine-in, and customers gradually returning to the restaurants.

At the end of 2022, all Dominium stores had been fully converted to Domino's branding. Further optimization projects, in particular focused on accounting and labor costs management, will be completed in 2023.

The Group has undertaken measures to address the inflationary cost pressures. For example, raising the minimum order size eligible for free delivery (in direct delivery sales), reviewing its promotions scheme based on consumer surveys, menu simplification and the development of the higher margin carry-out channel. These mitigation steps have brought positive trends from the beginning of H2 2022.

The Group expects to announce its final results for the year ended 31 December 2022 in early June 2023, including a webinar for investors

website for investors.

The person responsible for arranging the release of this announcement on behalf of the Company is Nils Gornall, CEO.

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Notes for editors

About DP Poland plc

DP Poland, has the exclusive right to develop, operate and sub-franchise Domino's Pizza stores in Poland and Croatia. The group operates over 120 stores and restaurants throughout cities and towns in Poland and Croatia.

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