

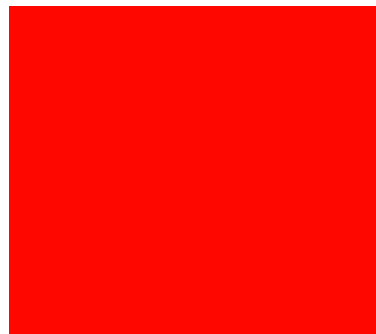


ANALYST & INVESTOR MEETING

# FIRST 100 DAYS

# MEET THE TEAM

DECEMBER 12, 2024





# WELCOME

**Stacy Frole**

Vice President, Investor Relations

# IMPORTANT DISCLOSURES

## Forward-Looking Statements

Certain matters discussed in this presentation that are not statements of historical fact constitute forward-looking statements within the meaning of the federal securities laws. Generally, the use of words such as “expect,” “intend,” “estimate,” “believe,” “anticipate,” “will,” “forecast,” “outlook,” “plan,” “project,” or similar words identify forward-looking statements that we intend to be included within the safe harbor protections provided by the federal securities laws. Such forward-looking statements include or may relate to projections or guidance concerning business performance, revenue, earnings, cash flow, earnings per share, share repurchases, the current economic environment, commodity and labor costs, currency fluctuations, profit margins, supply chain operating margin, net unit growth, unit level performance, capital expenditures, restaurant and franchise development, restaurant acquisitions, restaurant closures, labor shortages, labor cost increases, changes in management, inflation, royalty relief, franchisee support and incentives, the effectiveness of our menu innovations and other business initiatives, investments in product and digital innovation, marketing efforts and investments, liquidity, compliance with debt covenants, impairments, strategic decisions and actions, changes to our national marketing fund, changes to our commissary model, dividends, effective tax rates, regulatory changes and impacts, investments in and repositioning of the UK market, International restructuring plans, timing and costs, International consumer demand, adoption of new accounting standards, and other financial and operational measures. Such statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions, which are difficult to predict and many of which are beyond our control. Therefore, actual outcomes and results may differ materially from those matters expressed or implied in such forward-looking statements.

Our forward-looking statements are based on our assumptions which are based on currently available information. Actual outcomes and results may differ materially from those matters expressed or implied in our forward-looking statements as a result of various factors, including but not limited to risks related to: deteriorating economic conditions in the U.S. and international markets, including the United Kingdom; labor shortages at Company and/or franchised stores and our quality control centers; increases in labor costs, changes in commodity costs, supply chain incentive-based rebates, or sustained higher other operating costs, including as a result of supply chain disruption, inflation or climate change; the potential for delayed new store openings, both domestically and internationally, or lower net unit development due to changing circumstances outside of our control; the increased risk of phishing, ransomware and other cyber-attacks; risks and disruptions to the global economy and our business related to the conflicts in Ukraine and the Middle East and other international conflicts and risks related to a possible economic recession or downturn that could reduce consumer spending or demand. These and other risks, uncertainties and assumptions that are involved in our forward-looking statements are discussed in detail in “Part I. Item 1A. – Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. We undertake no obligation to update publicly any forward-looking statements, whether as a result of future events, new information or otherwise, except as required by law.

# IMPORTANT DISCLOSURES

## Industry and Market Information

Statements in this presentation concerning our industry and the markets in which we operate, including our general expectations and competitive position, business opportunity and market size, growth and share, are based on information from independent industry organizations and other third-party sources, data from our internal research and management estimates. Management estimates are derived from publicly available information and data referred to above and are based on assumptions and calculations made by us based upon our interpretation of such information and data. The information and data referred to above are imprecise and may prove to be inaccurate because the information cannot always be verified with complete certainty due to the limitations on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. As a result, please be aware that the data and statistical information in this presentation may differ from information provided by our competitors or from information found in current or future studies conducted by market research institutes, consultancy firms or independent sources.

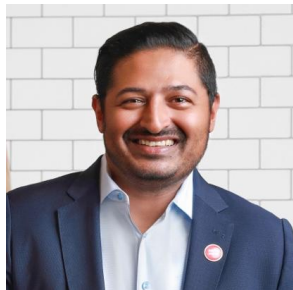
## Non-GAAP Measures

In addition to results provided in accordance with U.S. GAAP, we provide certain non-GAAP measures, which present results on an adjusted basis. These are supplemental measures of performance that are not required by or presented in accordance with U.S. GAAP and include adjusted operating income. We believe that our non-GAAP financial measures enable investors to assess the operating performance of our business relative to our performance based on US GAAP results and relative to other companies. We believe that the disclosure of non-GAAP measures is useful to investors as they reflect metrics that our management team and Board utilize to evaluate our operating performance, allocate resources and administer employee incentive plans. The most directly comparable U.S GAAP measures to adjusted operating income is operating income. Non-GAAP measures should not be construed as a substitute for, or a better indicator of, the Company's performance than the Company's U.S. GAAP results.

# TODAY'S SPEAKERS



**TODD PENEGOR**  
President & Chief  
Executive Officer



**RAVI THANAWALA**  
Chief Financial Officer  
& Executive Vice  
President, International



**STACY FROLE**  
Vice President,  
Investor Relations



**JENNA BROMBERG**  
Chief Marketing  
Officer



**KEVIN VASCONI**  
Chief Digital &  
Technology Officer



**JOE SIEVE**  
Chief Restaurant &  
Global Development  
Officer

# TODAY'S AGENDA

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Welcome & Introduction

Papa Johns Today & Tomorrow

Financial Overview

Fireside Chat

Q&A Session

Tasting & Meet the Team





# PAPA JOHNS **TODAY & TOMORROW**

**Todd Penegor**

President & Chief Executive Officer



# KEY TAKEAWAYS FROM TODAY ...

Our #1 priority is to **create great experiences** for our customers and team members in our restaurants – ensuring the **restaurant economic model is strong**.



## Focusing on our core strength

of crafting high-quality, traditional pizza to consistently meet and exceed customer expectations and investing to amplify our brand promise



## Leveraging our data advantage

to inform purchasing behavior and drive decisions related to digital and product innovations and engagement with our most loyal and frequent customers



## Investing in our tech stack

to drive operational efficiency and growth aimed at improving customer engagement and winning market share



## Building industry-savvy leadership team

with fresh perspectives and a collaborative approach to decision making, franchisee relationships and investor communication



## Encouraging signs of early progress

on key sales days, transactions by channel, our loyalty program and feedback from franchisees



## Capitalizing on our healthy balance sheet

with attractive company-owned restaurants and a vertically integrated supply chain providing additional opportunities to unlock future value

Be the **best**  
**pizza makers**  
in the business



**PAPAJOHNS**

## Our Values

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**People First**

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**Innovate to Win**

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**Everyone Belongs**

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**Have Fun**

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**Do the Right Thing**

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# BETTER TODAY



Nasdaq trading began

**1993**



Restaurants

**~6,000**



Pizzas sold each year

**~350M**



Franchise & corporate team members

**~107,000**



Countries served

**~50**



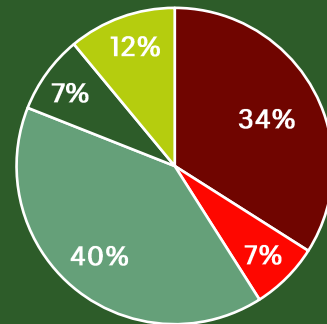
Global systemwide sales\*

**\$5B**

Total Revenues\*

**\$2.1B**

Revenues by Segment\*



- Domestic Company-Owned Restaurants
- North America Franchising
- North America Commissaries
- International
- Other

# OUR BRAND IS STRONG



# OUR VALUES-DRIVEN CULTURE IS THRIVING

Guided by  
**People  
First**

NEWSWEEK:  
America's **Most  
Responsible**  
Companies 2025

Passion for  
**Communities**



**300+**  
organizations  
supported through  
the **Papa Johns  
Foundation**

**600+**  
team members have  
accessed our  
**Dough & Degrees  
tuition program**



Reached **4.5M** meals toward our goal of  
donating **10M meals** to those in need by **2027**

# OUR FOOTPRINT HAS GROWN

North America  
**3,454**

LATAM  
**732**

United Kingdom  
**456**

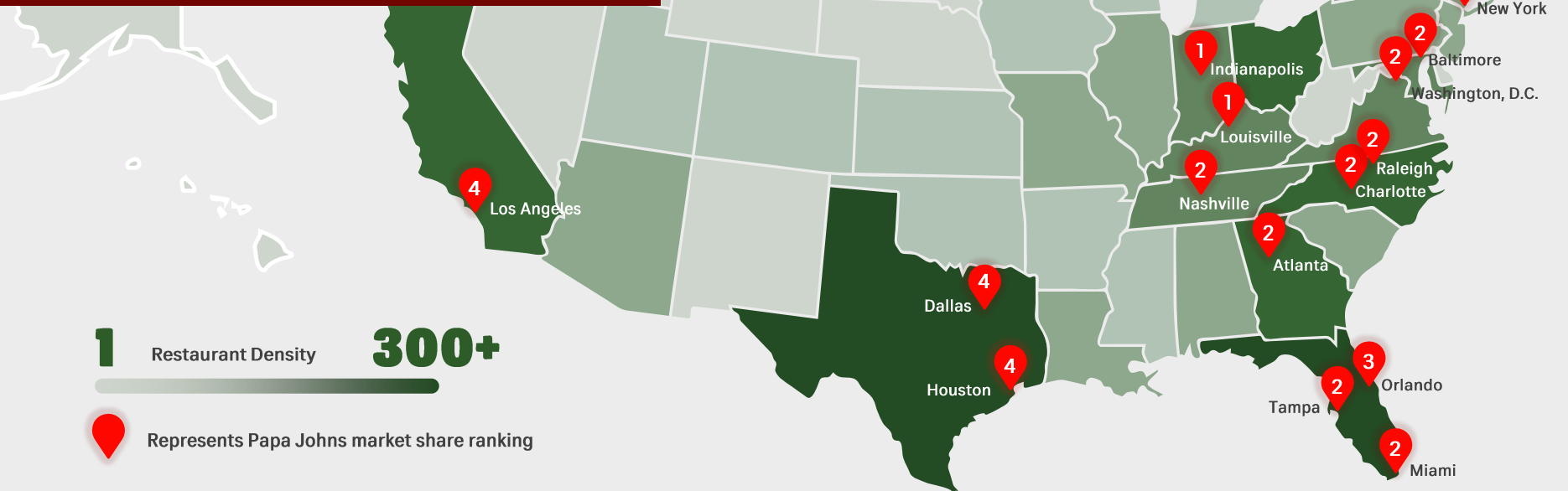
EMEA  
**635**

APAC  
**631**

**+1,000**  
net new restaurants  
opened in last  
7 years\*

# LEADING POSITION IN 11 OF OUR TOP 15 MARKETS

Our **geographic strength** brings significant opportunity for strategic domestic expansion.



# OUR STRENGTHS AND OPPORTUNITIES WITHIN THE PIZZA SEGMENT

According to Papa Johns customers:

We continue to outpace peers in **quality** and **taste**.

Ingredient Quality



Taste and Flavor



We need to return to being the industry leader in **consistency**.

Consistency/  
Meets Expectations



We see the greatest opportunity to differentiate ourselves in **overall digital experience** and **loyalty program**.

User-Friendly  
Website



Loyalty Program



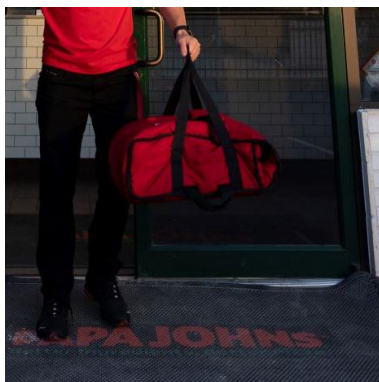
■ PZZA ■ Industry Peers ■ No Difference ■ Not Applicable

# MY CONVICTIONS IN PAPA JOHNS HAVE ONLY GROWN STRONGER ...



... as we have what it takes to be the **best pizza makers** and **create value** for all stakeholders.

- ✓ Passion for pizza
  - Better Ingredients. Better Pizza.
  - Quality-based growth will deliver long-term profitability
- ✓ Experienced team with proven track record, insights and fresh ideas
- ✓ Strong brand recognition and existing customer base
- ✓ Data advantage and digital opportunity
- ✓ Leading share positions in key markets
- ✓ Maintaining a strong and resilient balance sheet



# THE JOURNEY **AHEAD**

# OUR RECIPE FOR PROFITABLE GROWTH

## OPERATIONAL

Focus on Core Product  
& Innovation



Amplify Marketing

Transform  
International



**Franchisee  
Profitability**



Invest in  
Technology

Evolve  
Franchisee Base



Differentiate  
Customer Experience

## EXCELLENCE



# GETTING BACK TO BEING THE BEST PIZZA MAKERS



## PAST FIVE YEARS

Innovations have been successful at attracting new customers ...

## TODAY

... but have led to more complex operations and less consistency in product.

## LOOKING AHEAD

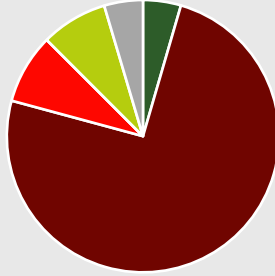
We will evolve to better serve our customers' needs, optimize our menu and consistently deliver high-quality pizza.



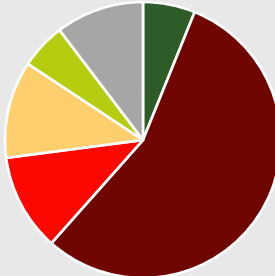
# BEING THE BEST BY FOCUSING ON OUR CORE

Pizza Orders by Crust Type\*

2019



2024



■ Small 
 ■ Med/Large 
 ■ XL 
 ■ Stuffed Crust 
 ■ Thin 
 ■ Other

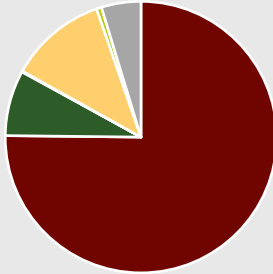
- Crust innovations drive consumer acquisition
- Medium and Large 1-top pizzas are operationally simple and drive customer frequency
- Balanced approach to acquisition through innovation and increasing frequency through execution and promotion



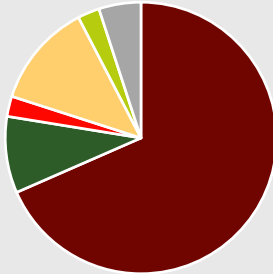
# BEING THE BEST BY FOCUSING ON OUR CORE

2019

Menu Offerings\*



2024



■ Pizza
 ■ Chicken (Wings/Poppers)
 ■ Papadias
 ■ Breadsticks/Cheesesticks
 ■ Sides
 ■ Dessert

- Additional offerings have made pizza a smaller portion of total sales
- Core offering of pizza is a key opportunity to drive higher frequency of our most loyal customers
- Optimizing menu offerings to be consumer-led, insights-driven and occasion-based will ensure we have one “true north star”



# DRIVING PREMIUM-QUALITY DISTINCTION

## The Foundation of Our Success

Being the best pizza makers will be supported by three primary workstreams:

1

### Consumer Perception

Assess current perception of Papa Johns to determine appropriate level of differentiation to feature

2

### Brand Differentiation

Assess and test customer experience to evaluate and quickly adapt to what we learn

3

### Strategic Innovations

Prioritize key features to drive differentiation and discipline into the innovation process



# WINNING CUSTOMERS WITH A FOCUS ON QUALITY AND VALUE

## QUALITY EMPHASIS

**Best pizza craftsmanship:**  
Emphasize bringing the freshest ingredients to every pizza order

## VALUE PERCEPTION

**Across the menu:**  
Emphasize value propositions — from Papa Pairings to Shaq-a-Roni

## Our approach

### CHALLENGER BRAND MINDSET:

Differentiating our brand through creativity and disruption

### INCREASED INVESTMENT:

Reaching wider audience through traditional and digital advertising

### CO-INVESTMENT WITH FRANCHISEES:

Ensuring a strong presence in key regional and local markets

### TARGETED MESSAGING AND DEALS:

Leveraging customer data to create more personalized offers



# INVESTMENT IN BRAND EVOLUTION IS IMPROVING CONSIDERATION

## Consideration – General Population, A18+



GenPop Total Moving average = 8 weeks | Total Sample = 23,226/Papa Johns

Source: Brand Health Tracker Report Q3 2024 – Harris Brand Platform



# BRAND HEALTH STRONG BUT OPPORTUNITIES REMAIN



- As category media spend grew, we saw QoQ gains in three areas: Awareness, Familiarity and Trial
- Increases in Recommend were most pronounced with Millennials
- Q3 results show strength with Gen Z and an additional opportunity to gain reach





# CREATING A SMOOTH AND REPEATABLE CUSTOMER EXPERIENCE

## **Agility:**

**Boost agility, service and business potential**

### **INITIATIVES:**

- Simplify products, operations and processes
- Evolve to an omnichannel experience with product team mentality

## **Intelligence:**

**Further develop cutting-edge capabilities to enhance business intelligence and operational efficiency**

### **INITIATIVES:**

- Invest in integrity of our data and leverage tech stack for a better consumer experience
- Prioritize cross-functional work on data analysis to support order growth and margin improvement
- Targeted marketing campaigns through next evolution of loyalty enhancements

## **Resilience:**

**Fortified resilience and enhanced flexibility**

### **INITIATIVES:**

- Enhance system performance, reliability and customer trust
- Ensure seamless and efficient experience across all channels
- Reinforce commitment to safeguarding customer data

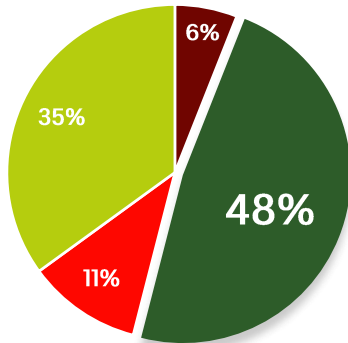
# GROWTH DRIVING CAPITAL INVESTMENTS



## Annual Capex Spend

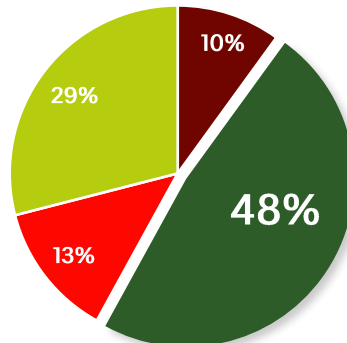
### Four-Year Average

2021-2024



### 2025

Estimate



International Tech-Enabled Unit Development Facilities, Repair & Maintenance



Plan to reallocate capital in 2025 to support highest ROI items



Tech spend will be incremental to 2024, but comparable with four-year average



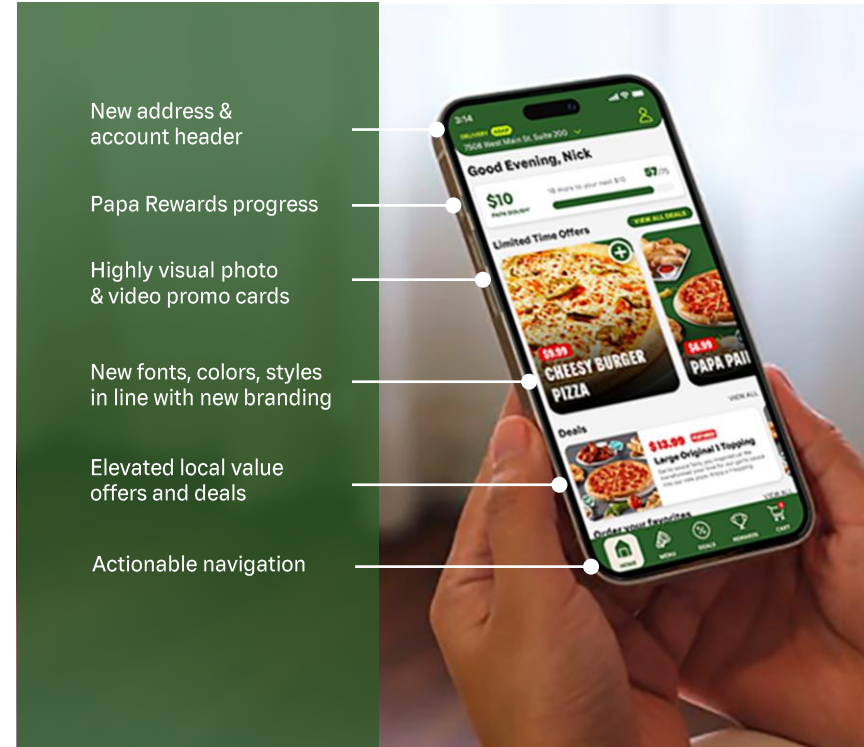
Approximately two-thirds of capital will be focused on driving growth

# ENHANCING CUSTOMERS' DIGITAL EXPERIENCE



## Improving user interaction with revitalized app and redesigned website

- Q3 Brand Health results showing increase in customers who found the app and website easy to use
- Enhancing website homepage to realign with user experience patterns and act as customers' personal dashboard
- Papa Rewards point progress and offers are featured more prominently





# DELIVERING LOYALTY REWARDS CUSTOMERS DESERVE

## Papa Rewards Program Update: Earning Papa Dough® faster and more often

- As of Q3 2024, ~1/4 of active loyalty program members had not yet reached a reward due to the current thresholds
- Threshold reduced from 75 points for \$10 Papa Dough® to 15 points for \$2 Papa Dough® (November 18, 2024)
- Unlocking Papa Dough® faster provides immediate customer gratification, resulting in higher transactions and frequency improvements

 = 1pt  
\$1 Spent

15pts =   
\$2 Papa Dough®

# CURRENT STATE OF NORTH AMERICAN FRANCHISEE BASE



Store Count	1-5	6-25	26-50	51-100	100+	Total
Franchisee Count	327	60	12	8	4	411
% with Development Agreements	13%	30%	75%	63%	100%	19%
% of North America System	17%	19%	12%	17%	22%	87% <sup>(a)</sup>

As of August 2024  
\$ in thousands



Avg store count / franchisee

**7.3 units**

Avg tenure of franchisees<sup>(b)</sup>

**15 years**

Avg age of restaurants<sup>(c)</sup>

**20 years**

Top 25 largest franchisees

**>50%  
of system**



# DOMESTIC MARKET PRESENTS OPPORTUNITY FOR GROWTH

## Weekly Per-Restaurant Average



Avg net sales for combined traditional franchise and company-owned restaurants

- Domestic market average unit sales of ~\$1.2M have grown at an ~7.5% CAGR over last four years
- Development team has rebuilt the foundation to scale and accelerate profitable growth
  - Future average domestic build costs anticipated to be ~\$500K, excluding marketing incentives



# OPPORTUNITIES TO ACCELERATE DOMESTIC DEVELOPMENT

**Domestic opportunities exist to utilize our existing infrastructure and create sustainable unit growth**

## EXISTING FRANCHISEES:

Identify and focus on expansion with top operators with growth appetite

## CORPORATE DEVELOPMENT:

Refranchise select markets, creating an entry point for new and existing partners and develop underpenetrated strategic growth markets

## NEW FRANCHISEES:

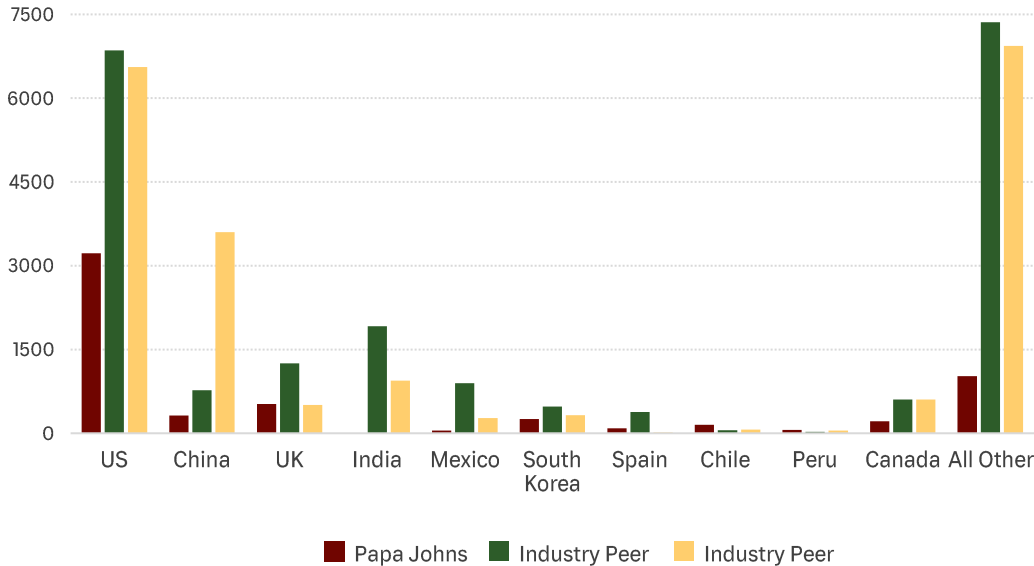
New operators bring new perspectives, energy and a hungry and growth-oriented mindset



# EXPANDING OUR DOMESTIC AND INTERNATIONAL FOOTPRINT



Papa Johns Penetration vs. Peers (units)\*



Significant development whitespace relative to peers



Low franchise investment and attractive payback period



Experienced development leadership team



# NARROW AND DEEP FOCUS ON MOST IMPACTFUL MARKETS

## GOAL:

Target higher average unit volumes and greater penetration of key regions

**2,454**

international  
restaurants<sup>(a)</sup>

### Refocus

UK, China  
Re-establish a sustainable operating model to take share in the UK and accelerate growth in China

### Grow

Korea, Spain  
Drive long-term growth in well-established markets with a solid foundation

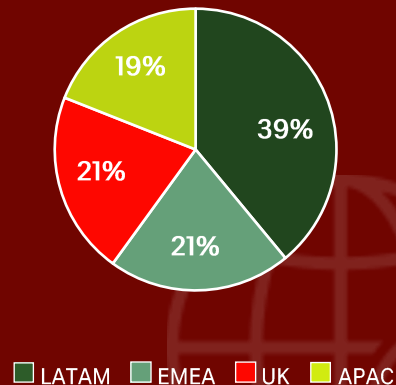
### Sustain

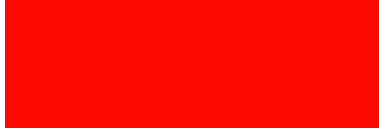
Chile, Peru, UAE  
Continue sales growth through penetration and stealing share from competition

### Ignite

India, KSA  
Strategic entry and unit acceleration in big addressable markets

### Sales by Region<sup>(b)</sup>





# FINANCIAL **OVERVIEW**

## **Ravi Thanawala**

Chief Financial Officer & Executive Vice President,  
International

# MY PASSION FOR THE PIZZA BUSINESS



**Significant opportunity for improved unit economics**



**Financial structure that supports our growth options**



**Clarity on where we have highly accretive transaction opportunities**



**Brand and financial models are very resilient**

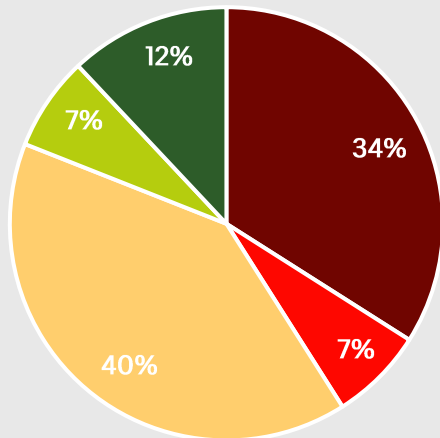


**Meaningful domestic market share to capture**

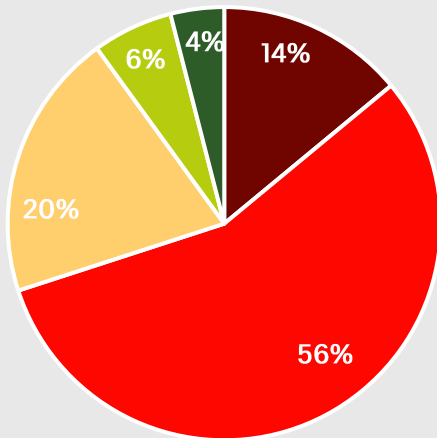


# REVENUE AND OPERATING INCOME BREAKDOWN

Net Revenue\*



Adjusted Operating Income\*



■ Domestic Company-Owned Restaurants

■ North America Franchise

■ North America Commissary

■ International

■ Other



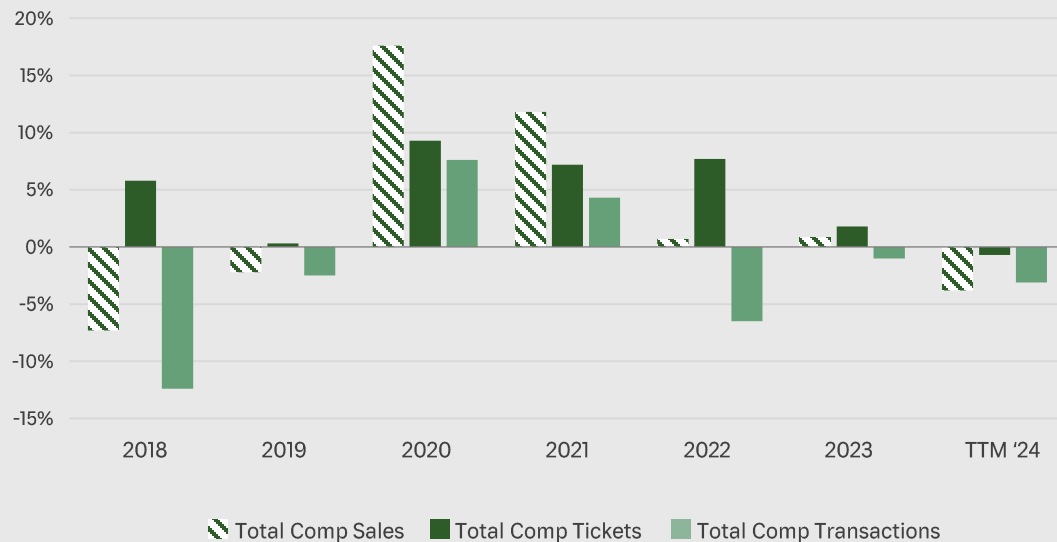
**We have a solid operating income base with more than 75% driven by consistent revenue sources.**

# HISTORICAL NORTH AMERICA COMPARABLE SALES TRENDS



**Papa Johns has a track record of growth. The investments we are making today are improving transaction trends, which we expect to continue into 2025.**

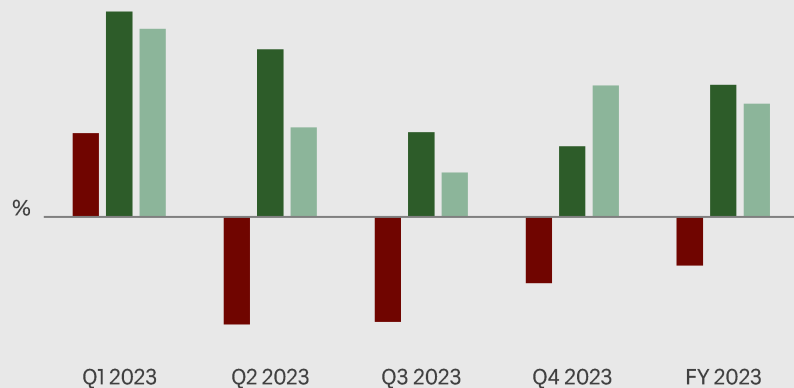
# HISTORICAL NORTH AMERICA COMPARABLE SALES TRENDS



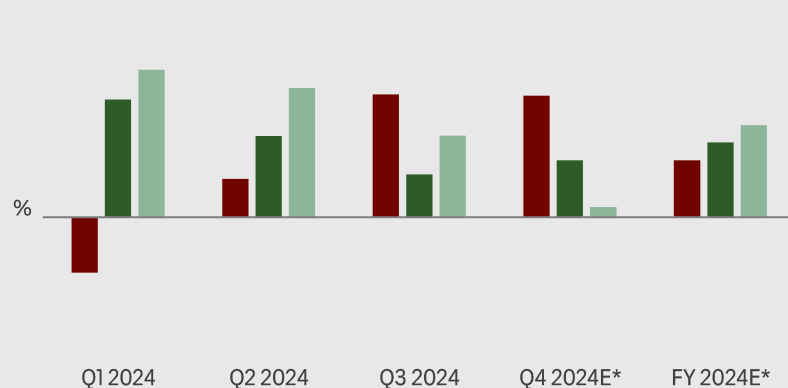
**We will focus on driving highly profitable transaction growth to support comparable sales and development.**

# RETURNING TO A BALANCED PRICING STRATEGY

Price vs. Inflation: 2023



Price vs. Inflation: 2024



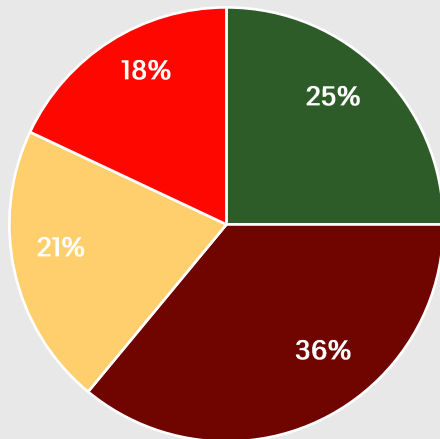
■ Inflation - Corporate ■ Effective Price - Franchise ■ Effective Price - Corporate



**As we make adjustments to improve our value perception, we see meaningful opportunity to drive transactions, and ultimately, development growth.**

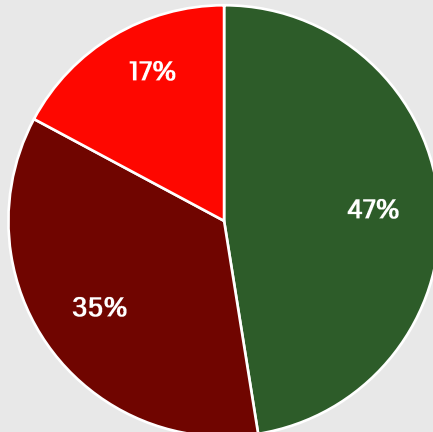
# SHARPENING PRICING TO IMPROVE VALUE PERCEPTION AND FREQUENCY

Sales by Pricing Strategy\*



■ National Promo ■ Base Discount Business ■ RMP ■ Aggregator

Sales by Fulfillment Channel\*



■ Carryout ■ Delivery ■ Aggregator



**National promotion drives value perception to win the hearts and minds of our customers, and we optimize margin by serving their needs through all fulfillment channels.**

# SCALE DRIVES HIGHEST MARGINS DESPITE HIGHER FOOD COSTS

## Domestic System Margins\*

Restaurant Quartiles	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	Total Avg
Avg Rest. Sales Weekly Per Rest. Avg	\$31,474	\$22,866	\$18,433	\$13,334	\$21,618
Avg Rest. Orders Weekly Per Rest. Avg	1,168	844	676	498	800
Avg Ticket Weekly Per Rest. Avg	\$26.95	\$27.10	\$27.28	\$26.79	\$27.03
Avg Food %	28.3%	28.4%	28.0%	27.7%	28.1%
Avg Product Margin/Ticket	\$19.32	\$19.40	\$19.64	\$19.37	\$19.43

9 mos ended 9/29/24



**Our best-performing restaurants are striking the right balance between transaction-driving sales and profitability as each incremental order offers significant value.**

# UNIFYING FRANCHISE DATA

- Investing in franchise analytics platform to deliver actionable insights across the system to **drive profitability and brand growth.**
- Transitioning from a manual management and maintenance process to an automated platform where data is "harmonized" across the system **to provide insights and inform business strategy at both company and franchisee level.**

## Initial Domestic Franchise output<sup>(a)</sup>:

For FY2023, ~25% of traditional Domestic franchisee restaurants' data has been uploaded into the platform and "harmonized."

## Avg Reporting Domestic Franchised Restaurant Sales <sup>(a)(b)</sup>

**~\$1.25 million**

## Avg 4-Wall EBITDA<sup>(a)(c)</sup>

**~\$150K**

## Avg 4-Wall EBITDA margin <sup>(a)(c)</sup>

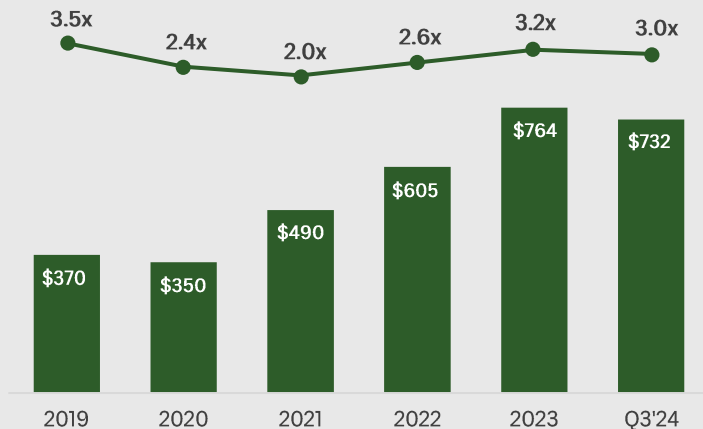
**~12%**

- (a) The information is provided for illustrative purposes only based upon a sample size of traditional domestic franchise restaurants that have reported data using the automated reporting system. The Company makes no further representations regarding the accuracy or completeness of the information, or its applicability systemwide.
- (b) Average Domestic franchised restaurant sales of the 2,350 traditional domestic franchised restaurants that were open the entire year of 2023 were \$1.19 million.
- (c) 4-Wall EBITDA and 4-Wall EBITDA margin are an assessment of our average franchised store-level profitability, which includes application of the current royalty rate, and adjusts for certain administrative and other items that we do not consider in our evaluation of individual franchise store-level performance. EBITDA is a non-GAAP financial measure; see "Important Disclosures."

# STRONG BALANCE SHEET SUPPORTS GROWTH INVESTMENTS

## Outstanding Debt & Leverage<sup>(a)</sup>

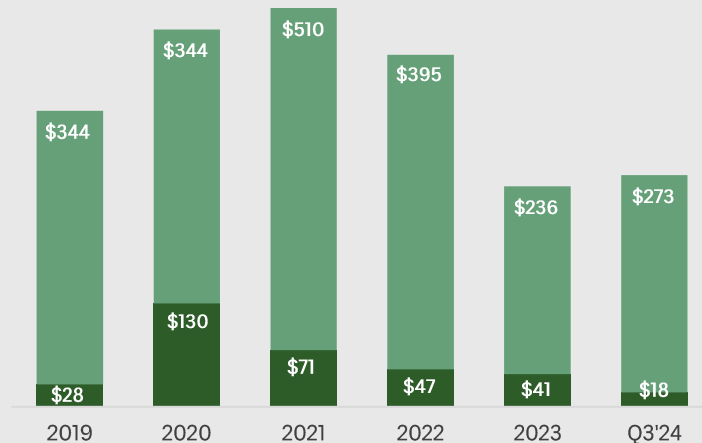
\$ in millions



—●— Gross Leverage ■ Debt Level

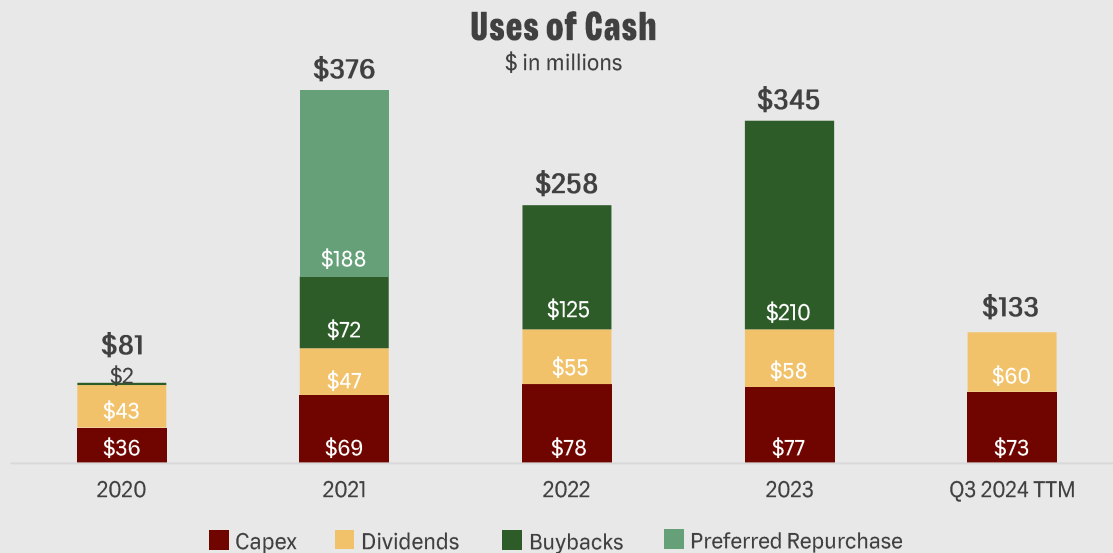
## Total Liquidity<sup>(b)</sup>

\$ in millions



■ Cash ■ Unused Revolver

# DISCIPLINED CAPITAL ALLOCATION



“ We strive to strike the right balance between investing in the business and returning capital to shareholders, with \$850+ million returned through dividends and repurchases over the past 5 years.

# DRIVING INCREASED LONG-TERM SHAREHOLDER VALUE

**Our disciplined approach to capital allocation will focus on three priorities:**

**1**

## **Investing in Growth**

- Invest in strategic initiatives generating positive cash flow
- Prudently invest in growth opportunities and strategic partnerships

**2**

## **Maintaining a Strong Balance Sheet**

- Use of free cash flow to pay down debt, reduce leverage and improve liquidity
- Access revolver for working capital and investments in the business

**3**

## **Returning Capital to Shareholders**

- Currently paying ~\$60M in annual cash dividends
- Utilize share repurchases to supplement dividend, when appropriate



# FIRESIDE **CHAT**

**Ravi Thanawala, Kevin Vasconi, Joe Sieve  
and Jenna Bromberg**

# KEY TAKEAWAYS FROM TODAY ...

Our #1 priority is to **create great experiences** for our customers and team members in our restaurants – ensuring the **restaurant economic model is strong**.



## Focusing on our core strength

of crafting high-quality, traditional pizza to consistently meet and exceed customer expectations and investing to amplify our brand promise



## Leveraging our data advantage

to inform purchasing behavior and drive decisions related to digital and product innovations and engagement with our most loyal and frequent customers



## Investing in our tech stack

to drive operational efficiency and growth aimed at improving customer engagement and winning market share



## Building industry-savvy leadership team

with fresh perspectives and a collaborative approach to decision making, franchisee relationships and investor communication



## Encouraging signs of early progress

on key sales days, transactions by channel, our loyalty program and feedback from franchisees



## Capitalizing on our healthy balance sheet

with attractive company-owned restaurants and a vertically integrated supply chain providing additional opportunities to unlock future value