



# INVESTOR Presentation

JANUARY 2025



# 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.

# KEY FOCUS AREAS

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

# EXPERIENCED MANAGEMENT TEAM



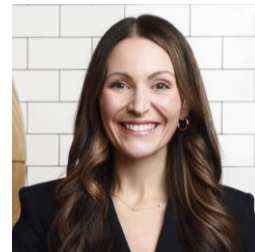
**TODD PENEGOR**

President and Chief  
Executive Officer



**RAVI THANAWALA**

Chief Financial Officer  
and Executive Vice  
President, International



**JENNA BROMBERG**

Chief Marketing Officer



**JOE SIEVE**

Chief Restaurant and  
Development Officer



**ELIAS REYNA**

Chief People and  
Diversity Officer



**KURT MILBURN**

Chief Supply Chain  
Officer



**CAROLINE  
MILLER OYLER**

Chief Legal & Risk  
Officer and Corporate  
Secretary



**KEVIN VASCONI**

Chief Digital and  
Technology Officer



**MADELINE  
CHADWICK**

Chief Corporate  
Affairs Officer

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**

# PAPA JOHNS TODAY



Nasdaq trading began

**1993**



Restaurants\*

**6,030**



Pizzas sold each year

**~350M**



Franchise & corporate team members

**~107,000**



Countries served

**~50**



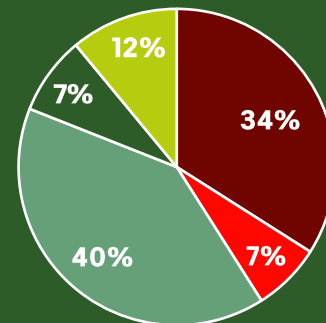
Global systemwide sales\*

**\$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 John's  
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  
**3,514**

LATAM  
**748**

United Kingdom  
**457**

EMEA  
**656**

APAC  
**655**

**+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 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



# 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

Ensuring a strong presence in key regional and local markets with franchisees

### TARGETED MESSAGING AND DEALS:

Leveraging customer data to create more personalized offers



# 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

# ENHANCING CUSTOMERS' DIGITAL EXPERIENCE



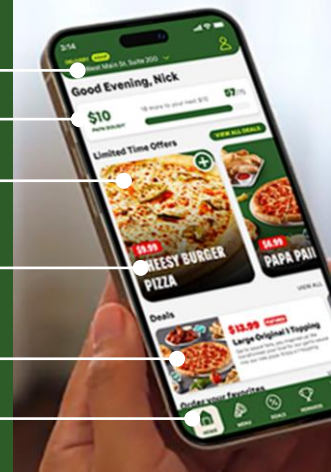
## Improving user interaction with revitalized app and redesigned website

- 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

## 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

- New address & account header
- Papa Rewards progress
- Highly visual photo & video promo cards
- New fonts, colors, styles in line with new branding
- Elevated local value offers and deals
- Actionable navigation





# 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





# NARROW AND DEEP FOCUS ON MOST IMPACTFUL MARKETS

## GOAL:

Target higher average unit volumes and greater penetration of key regions

**2,516**  
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

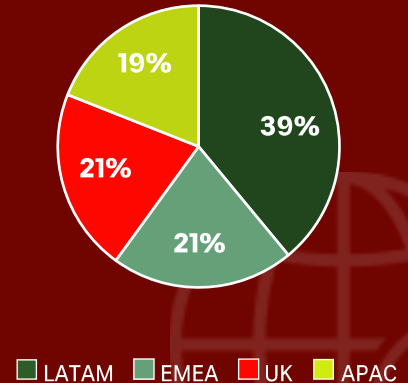
Continue sales growth through penetration and stealing share from competition

### Ignite

#### India, KSA

Strategic entry and unit acceleration in big addressable markets

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

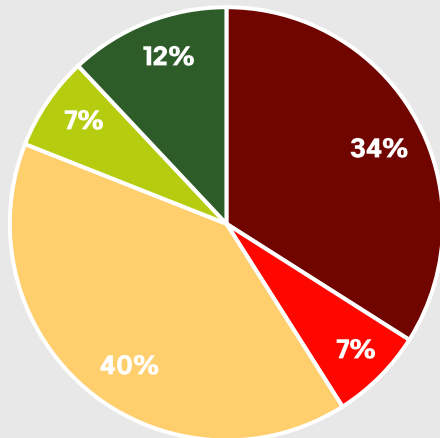




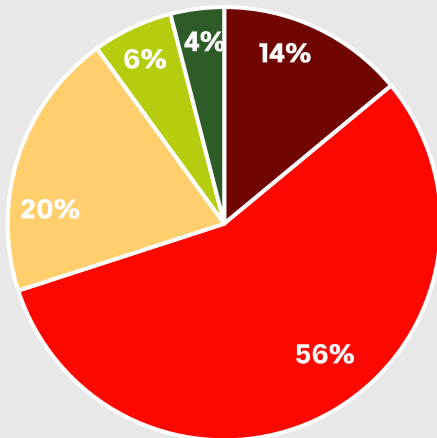
# FINANCIAL **OVERVIEW**

# REVENUE AND OPERATING INCOME BREAKDOWN

Net Revenue\*



Adjusted Operating Income\*



■ Domestic Company-Owned Restaurants

■ North America Franchise

■ North America Commissary

■ International

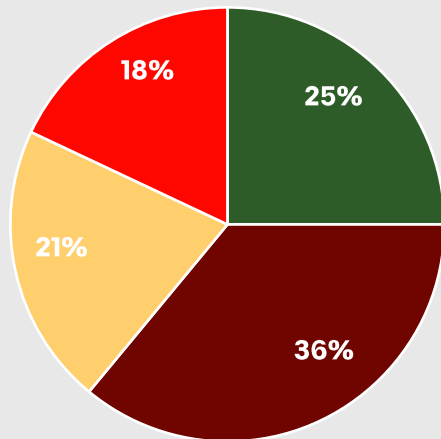
■ Other



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

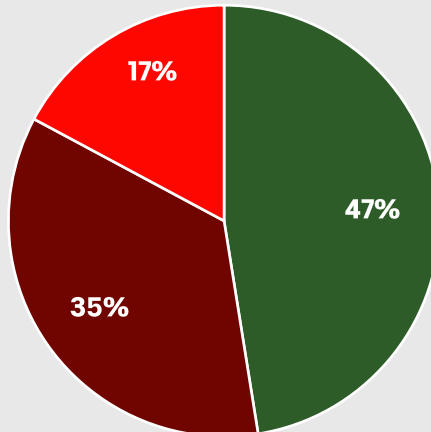
# SHARPENING PRICING TO IMPROVE VALUE PERCEPTION AND FREQUENCY

Sales by Pricing Strategy\*



■ National Promo ■ Base Discount Business ■ RMP ■ Aggregator

Sales by Fulfillment Channel\*



■ Carryout ■ Delivery ■ Aggregator

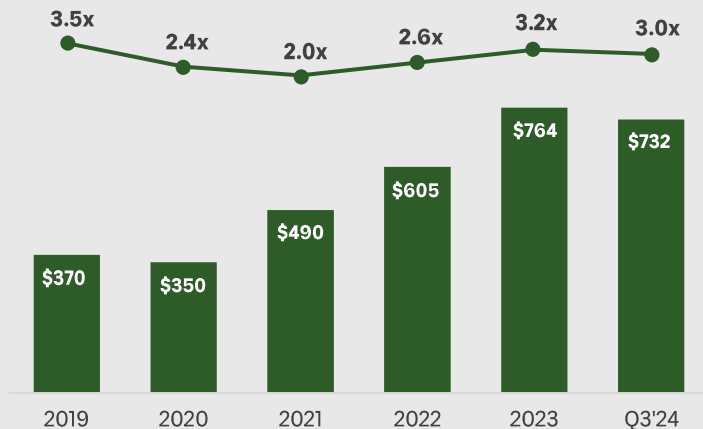


**National promotion drives value perception to win the hearts and minds of our customers, and we optimize margin by serving their needs through all fulfillment channels.**

# STRONG BALANCE SHEET SUPPORTS GROWTH INVESTMENTS

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

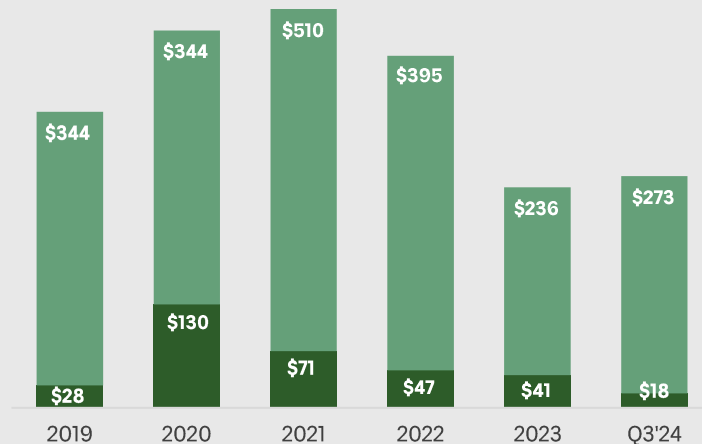
\$ in millions



—●— Gross Leverage ■ Debt Level

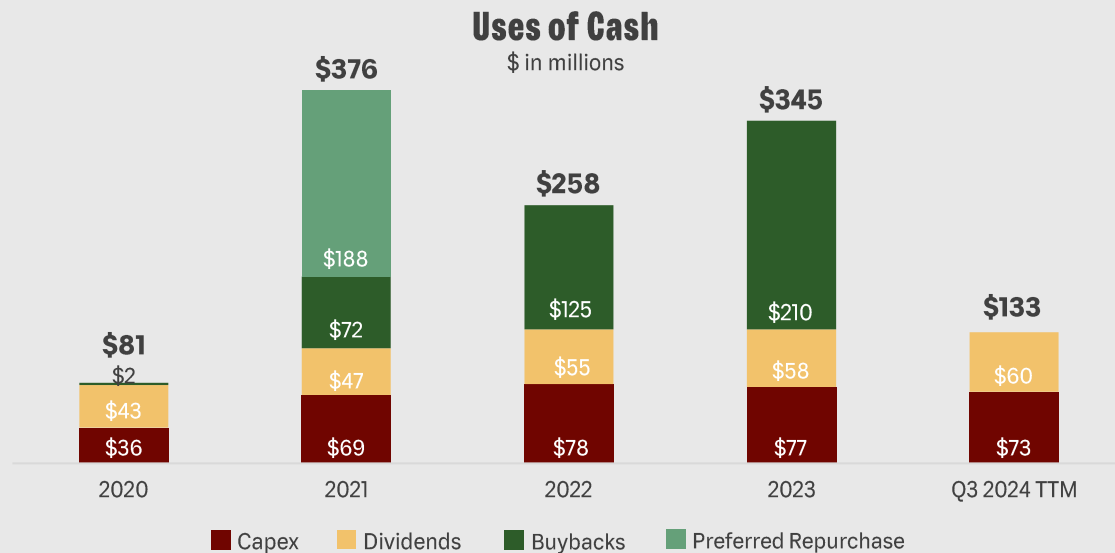
## Total Liquidity<sup>(b)</sup>

\$ 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

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