UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15(d)
Of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **February 4, 2019**

Papa John's International, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

0-21660	**61-1203323**
(Commission File Number)	(IRS Employer Identification No.)

2002 Papa John's Boulevard
Louisville, Kentucky 40299-2367
(Address of principal executive offices) (Zip Code)

(502) 261-7272
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Item 2.02 Results of Operations and Financial Condition.

The information disclosed below in Item 7.01 is also intended to be disclosed under this Item 2.02 and is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure

On February 4, 2019, Papa John's International, Inc. (the "**Company**"), issued a press release and investor presentation reporting that it has entered into a securities purchase agreement with funds affiliated with Starboard Value LP. The press release also announced preliminary, unaudited selected financial results for the three months and full year ended December 30, 2018 and comparable sales for the period December 31, 2018 to January 31, 2019, as well as updates to the Company's financial guidance for fiscal year 2018. Copies of the press release and investor presentation are furnished herewith as Exhibits 99.1 and 99.2, respectively.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press Release of Papa John's International, Inc. issued on February 4, 2019
99.2	Investor Presentation of Papa John's International, Inc. issued on February 4, 2019

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PAPA JOHN'S INTERNATIONAL, INC.
(Registrant)

Date: February 4, 2019

/s/ Steve Ritchie
Steve Ritchie
President and Chief Executive Officer

Exhibit 99.1

Papa John's Announces $200 Million Strategic Investment from Starboard and Appointment of Three New Directors to Papa John's Board, Including Jeffrey C. Smith as Chairman

New Directors to Bring Substantial Restaurant, Hospitality, Operational Turnaround, Corporate Governance and Corporate Finance Expertise

Additional Financial Resources and New Expertise to Support Company's Strategic Priorities and Better Position Papa John's for Growth and Value Creation

Company Announces Preliminary, Unaudited Selected Results for Fourth Quarter of 2018 and Comparable Sales for January 2019

LOUISVILLE, Ky. — February 4, 2019 — Papa John's International, Inc. (NASDAQ: PZZA) today announced that it has entered into a securities purchase agreement with Starboard Value LP (together with its affiliates, "Starboard") pursuant to which Starboard is making a $200 million strategic investment in the Company with the option to make an additional $50 million investment through March 29, 2019, as described below.

In connection with the investment, the Papa John's Board of Directors is expanding to include two new independent directors, including Jeffrey C. Smith, Chief Executive Officer of Starboard, who has been appointed Chairman of the Papa John's Board, and Anthony M. Sanfilippo, former Chairman and Chief Executive Officer of Pinnacle Entertainment, Inc. These directors bring substantial experience in the restaurant, retail and hospitality industries, with skill sets spanning operational turnarounds, corporate finance and corporate governance. Their expertise and new perspectives will help support the Company's strategy to capitalize on its differentiated "BETTER INGREDIENTS. BETTER PIZZA." market position and build a better pizza company for the benefit of its shareholders, team members, franchisees and customers. In addition, Papa John's President and Chief Executive Officer Steve Ritchie has been appointed to the Board. With the addition of the new directors, the Board will comprise nine directors, seven of whom are independent.

In September 2018, the Company began a process to evaluate a wide range of strategic options with the goal of maximizing value for all shareholders and serving the best interest of the Company's stakeholders. In order to execute the strategic review, a Special Committee comprised of the independent directors of the Board retained Lazard and BofA Merrill Lynch as its financial advisors. After extensive discussions with a wide group of strategic and financial investors, the Board concluded that the investment agreement with Starboard was in the best interest of shareholders.

“Our agreement with Starboard concludes a comprehensive strategic review conducted over the past five months to better position Papa John’s for growth, improve the Company’s financial performance and serve the best interests of our stakeholders. This transaction provides the Company with financial resources and strong and experienced directors on the Board in order to position the Company for success over the long term. We believe we have found terrific partners to advance Papa John’s strategy, especially given their record of reinvigorating and growing premier restaurant and consumer brand companies,” said Olivia Kirtley, a member of the Special Committee and most recently Chairman of the Papa John’s Board. “Starboard’s investment represents a strong vote of confidence in Papa John’s, our people, our franchisees and the many opportunities we have ahead. We are excited to work with Jeff as our new Chairman and look forward to welcoming Anthony and Steve to the Board.”

Mr. Ritchie commented, “Our agreement with Starboard marks an exciting step forward for Papa John’s. I look forward to working with Jeff and Anthony, as well as the rest of our Board and team, to extend our focus on Better to our people, franchisees and customers in new ways, thereby fortifying Papa John’s position as the ‘BETTER INGREDIENTS. BETTER PIZZA.’ company.”

Mr. Smith said, “Papa John’s has always stood for higher quality pizza, and we believe Papa John’s has a strong foundation, with the best product in the space and a strong franchisee and customer base. We applaud the actions that the Board and management have taken to move the Company forward through a difficult transition. We see tremendous potential for the Company both in the U.S. and internationally. We look forward to providing leadership, sponsorship, and support to instill operational, financial, and corporate governance best practices, and working with the Papa John’s team to develop a disciplined long-term strategic plan while delighting our customers every day.”

The Company plans to use approximately half of the proceeds of the investment to repay debt, with the remaining proceeds providing financial flexibility that enables Papa John’s to invest capital to further advance its five strategic priorities of People, Brand, Value/Product, Technology and Unit Economics. The Company will take a disciplined approach to capital allocation, ensuring that investments in these five areas are directed to its highest return initiatives, with clear parameters and analytics in place to measure and track performance and execution.

Terms of Agreement

Under the terms of the securities purchase agreement, Starboard is purchasing $200 million of a newly designated Series B convertible preferred stock of Papa John's. Through March 29, 2019, Starboard will also have the option, subject to certain limitations, to purchase up to an additional $50 million of Series B convertible preferred stock under the same terms and conditions as the initial investment. Subject to certain limitations (including limitations on the amount available for issuance pursuant to the terms of the purchase agreement), Papa John's has the right to offer franchisees who satisfy the accredited investor requirements under the federal securities laws (subject to verification) an opportunity to purchase a total of $10 million of the Series B convertible preferred stock on the same terms as Starboard. The conversion price will be based on a fixed 22.5% premium to the 10-day volume weighted average trading price of Papa John's common stock ending February 15, 2019, subject to a floor and a cap of $34.66 and $50.06, respectively. Based upon the Company's closing stock price as of February 1, 2019 of $38.51, Starboard's initial $200 million investment would equate to approximately 11% to 15% of Papa John's outstanding common stock on an as-converted basis. The annual dividend rate of the Series B convertible preferred stock will initially be 3.60%, payable quarterly in arrears, and the Series B convertible preferred stock will also participate on an as-converted basis in any regular or special dividends paid to holders of Papa John's common stock. In addition, the Series B convertible preferred stock is redeemable after eight years for cash at the option of either Papa John's or the holders of the Series B convertible preferred stock. The agreement includes a lock-up provision under which Starboard may not transfer its shares for one year after closing.

Papa John's New Independent Directors

The two new independent directors joining the Papa John's Board are:

- **Jeffrey C. Smith, a Managing Member, Chief Executive Officer and Chief Investment Officer of Starboard Value LP**, a New York City based investment advisor with a focused, fundamental and active approach to investing in U.S. publicly traded companies. Over the last decade, Starboard has been among the most active change agent investors, having worked with more than 50 different public companies to improve operations, strategy and corporate governance for the benefit of shareholders. Mr. Smith has served on many of these boards, including serving as chairman of the board of Darden Restaurants, where he oversaw one of the most successful restaurant turnaround and board transformations of the last decade. Mr. Smith was named to the Nation's Restaurant News Power List: The 50 Most Powerful People in Food Service in 2015. He currently serves as chairman of the board of Advance Auto Parts and is a member of the board of Perrigo. Mr. Smith graduated from The Wharton School of Business at The University of Pennsylvania, where he received a B.S. in Economics.
- **Anthony M. Sanfilippo, former Chairman and Chief Executive Officer of Pinnacle Entertainment.** Mr. Sanfilippo brings significant Board, senior executive and operating expertise in the gaming and hospitality industries, most recently serving as Chairman and CEO of Pinnacle Entertainment, Inc. prior to its acquisition by Penn National Gaming, Inc. Previously, Mr. Sanfilippo was the President and CEO of Multimedia Games, Inc. Before joining Multimedia Games, he served in various roles at Harrah's Entertainment, Inc. (now known as Caesars Entertainment Corporation), the world's largest casino company and a provider of branded casino entertainment. While at Harrah's, Mr. Sanfilippo held roles as President of the Western Division and President of the Central Division, overseeing the operations of more than two dozen casino and casino-hotel destinations. Mr. Sanfilippo was also President and Chief Operating Officer for Harrah's New Orleans. He has served on the Boards of Directors of Pinnacle Entertainment, Multimedia Games and Jazz Casino Corporation.

Preliminary Selected Financial Results

Papa John's also announced today preliminary, unaudited selected financial results for the three months and full year ended December 30, 2018 and comparable sales for the period December 31, 2018 to January 31, 2019.

For the 2018 periods:

- System-wide North America comparable sales decreased (8.1%) for the fourth quarter. For the full year, system-wide North America comparable sales decreased (7.3%), compared to the Company's previous guidance of negative (6.5%) to negative (8.5%);
- System-wide International comparable sales decreased (2.6%) for the fourth quarter. For the full year, system-wide international comparable sales decreased (1.6%), compared to the Company's previous guidance of negative (2%) to positive 1%;
- The Company's global net unit growth was 2.0%, compared to the previous guidance of 0% to 3% for the year;
- 2018 adjusted diluted earnings per share, excluding the impact of restaurant divestitures and the special charges discussed in the Company's third quarter earnings release, are expected to be near the low-end of the Company's previously provided range of $1.30 to $1.60. The Company now expects these special charges to be approximately $51 million, which is at the low-end of its previously provided range of $50 million to $60 million. The Company believes presenting the financial information excluding the special items is important for purposes of comparison to prior year results. In addition, management uses these metrics to evaluate the Company's underlying operating performance and analyze trends.

For period December 31, 2018 to January 31, 2019:

- System-wide North America comparable sales decreased (10.5%);
- System-wide International comparable sales were flat.

The Company noted that the disparity in North America and International comparable sales reflects the consumer sentiment challenges the brand has encountered in the U.S. In addition, the December and January sales were impacted by the conversion to the Company's new loyalty program and ineffective promotions in the heightened competitive environment.

"These results are disappointing to all of us, but we have a strong foundation built on quality and are confident in the great growth potential for the brand, particularly with the support of our new partners. Our agreement provides new expertise and additional financial resources to invest in areas that we believe are important to our customers and the opportunities ahead. Quality and how our product brings people together will be front and center in our efforts. Our recently launched Philly Cheesesteak pizza, a new line of handcrafted specialty pizzas, premium ingredients, menu variety, and new, more modern creative advertising that emphasizes people and quality products are a few actions underway," continued Mr. Ritchie.

Papa John' s will discuss further details regarding its fourth quarter and fiscal 2018 performance as well as its outlook for 2019 when it reports results on February 26, 2019.

Advisors

Lazard and BofA Merrill Lynch are acting as financial advisors to the Special Committee of the Papa John's Board of Directors. Akin Gump Strauss Hauer & Feld LLP is legal counsel to the Special Committee, and Hogan Lovells US LLP is legal counsel to the Company.

About Papa John's

Headquartered in Louisville, Kentucky, Papa John's International, Inc. (NASDAQ: PZZA) is the world's third-largest pizza delivery company. In 2018, consumers rated Papa John's No. 1 in product and service quality among national pizza chains in the American Customer Satisfaction Index (ACSI). For 17 of the past 19 years, consumers have rated Papa John's No. 1 in customer satisfaction among national pizza chains in the American Customer Satisfaction Index (ACSI). For more information about the company or to order pizza online, visit Papa John's at www.papajohns.com.

About Starboard

Starboard Value LP is a New York-based investment adviser with a focused and differentiated fundamental approach to investing in publicly traded U.S. companies. Starboard invests in deeply undervalued companies and actively engages with management teams and boards of directors to identify and execute on opportunities to unlock value for the benefit of all shareholders.

Forward-Looking Statements

Certain matters discussed in this press release and other company communications 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," "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 may relate to projections or guidance concerning: business performance; revenue; earnings; adjusted earnings per share; cash flow; use of proceeds from the sale of the Series B convertible preferred stock, including debt repayment, investments in certain growth initiatives, advertising, marketing and promotional activity, rebranding efforts, technological investments, and franchisee support; capital allocation; consumer sentiment; profit margins; unit growth; unit level performance; capital expenditures; corporate governance; shareholder and other stakeholder engagement and support; strategic decisions and actions; changes to our current business plan; compliance with debt covenants; special charges; the ongoing cultural audit and investigation; and related initiatives and actions. 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. The risks, uncertainties and assumptions that are involved in our forward-looking statements include, but are not limited to, risks related to the issuance of the newly created Series B convertible preferred stock to Starboard and those in our risk factors 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, 2017, as updated by "Part II. Item 1A. — Risk Factors" in our Quarterly Report on Form 10-Q for the quarterly period ended July 1, 2018. 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.

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Exhibit 99.2

Papa John's and Starboard Value Enter Strategic Investment Agreement

Additional Capital and New Expertise to Support Enhanced Growth and Value Creation

February 2019

Disclaimer

Certain matters discussed in this presentation 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," "plan," "project," "opportunity" 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 may relate to projections or guidance concerning business performance; revenue; earnings; adjusted earnings per share; same store sales; cash flow; use of proceeds from the sale of the Series B Preferred Stock, including investments in certain growth initiatives, debt repayment, advertising, marketing and promotional activity, rebranding efforts, technological investments, and franchisee support; consumer sentiment; profit margins; unit growth; unit level performance; capital expenditures; corporate governance; shareholder and other stakeholder engagement and support; strategic decisions and actions; changes to our current business plan; compliance with debt covenants; previously announced external audit and investigation that the Special Committee (the "Special Committee") of the Board of Directors of Papa John's International, Inc. (the "Company") is overseeing regarding the Company's existing processes, policies and systems related to diversity and inclusion, supplier and vendor engagement and the Company's culture (the "Culture Audit"); 2019 guidance; and related initiatives and actions. 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.

The risks, uncertainties and assumptions that are involved in our forward-looking statements include, but are not limited to: negative publicity and consumer sentiment as a result of statements and actions by the founder and former spokesperson of the Company, which may continue to cause sales to decline and/or change consumers' acceptance of and enthusiasm for our brand; the results of the Culture Audit, costs the Company expects to incur as a result of the recent negative publicity and negative consumer sentiment, including costs related to the Culture Audit, costs associated with the operations of the Special Committee, any costs associated with related litigation, legal fees, and increased costs for branding initiatives and launching a new advertising and marketing campaign and promotions to mitigate negative consumer sentiment and negative sales trends; costs the Company expects to incur relating to franchisee financial assistance to mitigate store closings; the ability of the Company to mitigate the negative consumer sentiment through advertising, marketing and promotional activities; the Company's ability to regain lost customers; aggressive changes in pricing or other marketing or promotional strategies by competitors, which may adversely affect sales and profitability; new product and concept developments by food industry competitors; changes in consumer preferences or consumer buying habits, including the growing popularity of delivery aggregators, as well as changes in general economic conditions or other factors that may affect consumer confidence and discretionary spending; the adverse impact on the Company or our results caused by product recalls, food quality or safety issues, incidences of foodborne illness, food contamination and other general public health concerns about our company-owned or franchised restaurants or others in the restaurant industry; the effectiveness of our initiatives to improve our brand proposition and operating results, including marketing, advertising and public relations initiatives, technology investments and changes in unit-level operations; the risk that any new advertising or marketing campaign may not be effective in increasing sales; the ability of the Company and its franchisees to meet planned growth targets and operate new and existing restaurants profitably, including difficulties finding qualified franchisees, store level employees or suitable sites; increases in food costs or other sustained higher operating costs. Higher operating costs could include increased employee compensation, benefits or insurance costs, tax rates, increasing compliance costs or new regulatory requirements; increases in insurance claims and related costs for programs funded by the Company up to certain retention limits, including medical, owned and non-owned vehicles, workers' compensation, general liability and property; disruption of our supply chain or commissary operations which could be caused by our sole source of supply of cheese or limited source of suppliers for other key ingredients or more generally due to weather, natural disasters including drought, disease, or geopolitical or other disruptions beyond our control; increased risks associated with our international operations, including economic and political conditions, instability or uncertainty in our international markets, especially emerging markets, fluctuations in currency exchange rates, difficulty in meeting planned sales targets and new store growth; the impact of current or future claims and litigation and our ability to comply with current, proposed or future legislation that could impact our business including compliance with the European Union General Data Protection Regulation; maintaining compliance with debt covenants under our credit agreement if restaurant sales and operating results continue to decline, and our ability to obtain a waiver or modification to the credit agreement from our lenders if we are unable to maintain compliance; failure to effectively execute succession planning; disruption of critical business or information technology systems, or those of our suppliers, and risks associated with systems failures and data privacy and security breaches, including theft of confidential company, employee and customer information, including payment cards; changes in Federal or state income, general and other tax laws, rules and regulations, including changes from the Tax Cuts and Jobs Act and any related Treasury regulations, rules or interpretations if and when issued; and changes in generally accepted accounting principles, including new standards for revenue recognition and leasing.

These and other risk factors 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, 2017 as updated by "Part II. Item 1A. – Risk Factors" in our Quarterly Report on Form 10-Q for the quarterly period ended July 1, 2018. 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.

Non-GAAP Measures

This presentation includes references to non-GAAP financial measures as defined under the rules of the U.S. Securities and Exchange Commission, including EBITDA, Recurring EBITDA, and Adj. Diluted EPS. These non-GAAP financial measures are not measures of financial performance in accordance with generally accepted accounting principles and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation or as an alternative to revenues, operating income, net income or other measures of financial performance or liquidity under generally accepted accounting principles. You should be aware that our presentation of these measures may not be comparable to similarly-titled measures used by other companies.

Additional Information

None of the Company or any of its affiliates make, and each hereby expressly disclaims, any representation or warranty (express or implied) as to the accuracy or completeness of the contents of this presentation, including all statements, estimates, forward-looking statements and projections set forth herein, or any other written or oral information made available by the Company or its advisors in connection with the release of this presentation. None of the Company, its advisors or any of their respective affiliates shall have any liability (and expressly disclaim any liability to the maximum extent permitted by law) for any other representations (express or implied) contained in, or for any omissions from, this presentation or any other written or oral communication transmitted to the recipient in connection with the release of this presentation.

This presentation does not purport to be all-inclusive or to contain all of the information that may be relevant to an investor in the Company. Each person should conduct its own investigation and analysis of the Company and the data set forth in this presentation and should rely solely on its own judgment, review and analysis and may not rely on this presentation in evaluating the Company. In furnishing this presentation, the Company and its advisors reserve the right to amend or replace the presentation at any time and undertake no obligation to provide any recipient of this presentation with any additional information, or to update, or to correct any inaccuracies in this presentation or any other information made available in connection with the Company.

This presentation is not to be construed as a solicitation, invitation or offer by the Company or any of its directors, officers, employees, agents or representatives to buy or sell any securities or related financial instruments or any of the assets, business or undertakings described herein and no legal relations shall be created.

Culmination of Comprehensive Process

Our agreement with Starboard concludes a comprehensive strategic review conducted over the past five months to better position Papa John's for growth, improve the Company's financial performance and serve the best interests of our stakeholders.

JULY 2018	Special Committee consisting of all of the Board's independent directors is formed and retains Akin Gump Strauss Hauer & Feld as independent outside legal counsel. Hogan Lovells is legal counsel to the Company
AUG 2018	After receiving inbound expressions of interest, Special Committee retains Lazard and BofA Merrill Lynch as independent financial advisors
SEPT 2018	Company commences process to evaluate a wide range of strategic options with the goal of maximizing value for all shareholders and serving the best interest of the Company's stakeholders
SEPT – OCT 2018	Information package distributed to potential strategic and financial investors following execution of NDAs and initial proposals received
OCT – DEC 2018	Certain bidders chosen for further diligence and final proposals received
DEC 2018 – FEB 2019	Special Committee conducts multiple rounds of negotiations with Starboard
FEB 4, 2019	Papa John's announces it has entered strategic investment agreement with Starboard

Transaction Overview

New Financial Resources

Starboard to purchase
$200M
of new convertible preferred stock[1]

Option to purchase up to an additional
$50M
of convertible preferred stock through 3/29/19[2]

Potential opportunity for franchisees to purchase
$10M
of convertible preferred stock through 3/30/19[3]

Additional Experience and Expertise

3
New directors to join Papa John's Board
- Jeff Smith
- Anthony Sanfilippo
- Steve Ritchie

Jeff Smith
to be appointed Chairman

Substantial experience
in restaurant, retail and hospitality industries; skill sets spanning operational turnaround, corporate finance, and corporate governance

Key Terms of the Preferred Equity

- Conversion price based on fixed 22.5% premium to 10-day VWAP ending 2/15/19
- Lock-up: Starboard may not transfer its shares for one year after closing
- May be forcibly converted by PZZA after 5 years
- Annual dividend rate: initially 3.60%[4]
- Redeemable at the option of either party in 8 years, and provides for additional rights and obligations typical for an investment of this kind
- Customary regulatory approvals already received

1. Based upon the Company's closing stock price as of February 1, 2019 of $38.51, Starboard's initial $200 million investment would equate to approximately 11% to 15% of Papa John's outstanding common stock on an as-converted basis
2. Subject to certain limitations, including limitations on the amount available for issuance pursuant to the terms of the purchase agreement.
3. Subject to certain limitations (including limitations on the amount available for issuance pursuant to the terms of the purchase agreement), Papa John's has the right to offer franchisees who satisfy the accredited investor requirements under the federal securities laws (subject to verification) an opportunity to purchase a total of $10 million of the Series B convertible preferred stock on the same terms as Starboard.
4. Payable quarterly in arrears, and the Series B convertible preferred stock will also participate on an as-converted basis in any regular or special dividends paid to holders of Papa John's common stock

Additional Financial Resources to Support Our Operating Priorities

Approximately half of the proceeds from the investment will be used to repay debt, with the remaining proceeds providing financial flexibility that enables Papa John's to invest capital to further advance its five strategic priorities.

"Our agreement with Starboard provides new expertise and additional financial resources to invest in areas that we believe matter to our customers and the opportunities ahead. Quality and how our product brings people together will be front and center in our efforts."

Making People a Priority	**People** are our most important ingredient
Improving Our Brand Differentiation	Emphasize our **quality** position through our creative media to **differentiate our brand**; it's more than just a tagline
Creating Accessible Value	Drive **value perception** by providing every day **accessible value** to our consumers
Implementing Technological Advancements	Build new technology with **enhanced data** and **analytics** capabilities to **engage** the consumer, create **operational efficiencies**, and better **optimize** our **marketing** spend
Improving Unit Economics	Build a stronger **unit economic** model through **new tools, products, equipment and procedures** to improve customer experience, sales and overall financial performance

New Independent Directors Are Experienced, Proven Value-Creators

Jeffrey C. Smith (46)

Managing Member, CEO, and Chief Investment Officer of Starboard Value

- Extensive experience in capital markets, corporate finance and best-in-class corporate governance practices
- Record of success in significantly improving value at other premier restaurant and consumer facing companies; Named to the Nation's Restaurant News Power List: The 50 Most Powerful People in Food Service in 2015
- Currently Chair of Advance Auto Parts and member of Perrigo Board; previously Chair of Board for Darden and Phoenix Technologies; formerly on Boards of Yahoo!, Quantum Corporation, Office Depot, Regis Corporation, Surmodics, Zoran Corporation, Actel Corporation, Kensey Nash, S1 Corp and the Fresh Juice Company

Anthony Sanfilippo (60)

Former Chairman and CEO of Pinnacle Entertainment

- Significant Board, senior executive and operating expertise in the gaming and hospitality industries
- Prior to Pinnacle Entertainment, served as President and CEO of Multimedia Games and in various operating leadership roles at Harrah's Entertainment (now known as Caesars Entertainment)
- Previously served on the Boards of Directors of Pinnacle Entertainment, Multimedia Games and Jazz Casino Corporation

Financial Update

Preliminary, unaudited selected financial results for the three months and full year ended December 30, 2018 and comparable sales for the period December 31, 2018 to January 31, 2019. Further details regarding the fourth quarter and fiscal 2018 performance as well as outlook for 2019 will be discussed when results are reported in February

Q4'18 and FY'18

	Q4'18	FY'18	FY'18 Guidance
System-wide North America SSS	(8.1%)	(7.3%)	(6.5%) – (8.5%)
System-wide International SSS	(2.6%)	(1.6%)	(2.0%) – 1.0%
Global Net Unit Growth		2.0%	0.0% – 3.0%
Adj. Diluted EPS		near low-end of guidance[1]	\$1.30 – \$1.60[1]

Period December 31, 2018 to January 31, 2019

System-wide North America SSS	(10.5%)
System-wide International SSS	flat

Primary Drivers of North America January Sales Results

- Consumer sentiment challenges in the U.S.
- Conversion to the Company's new loyalty program
- Ineffective promotions in the heightened competitive environment

1. Excludes the impact of restaurant divestitures and the special charges discussed in the Company's third quarter earnings release. The Company now expects these special charges to be approximately $51 million, which is at the low-end of its previously provided range of $50 million to $60 million. The Company believes presenting the financial information excluding the special items is important for purposes of comparison to prior year results. In addition, management uses these metrics to evaluate the Company's underlying operating performance and analyze trends

Papa John's + Starboard

- Papa John's has a strong foundation in place
- Our agreement provides additional financial resources and new expertise to support the Company's strategy and our differentiated "BETTER INGREDIENTS. BETTER PIZZA." market position
- This is our opportunity to energize the brand and the Company
- We are extending our focus on BETTER across the Papa John's organization - for the benefit of our shareholders, team members, franchisees, customers and the communities we serve


PIZZA
PAPA JOHN's
BETTER INGREDIENTS.®
BETTER PIZZA.