# Alsea DAY 2024

# **Forward-Looking** Statements Disclaimer

Certain information contained in this presentation, particularly information regarding future economic performance, finances, and; expectations and objectives of management constitutes forward-looking statements. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts and generally contain words such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates", "anticipates" or similar expressions. Our forward-looking statements are subject to risks and uncertainties, which may cause actual results to differ materially from those projected or implied by the forward-looking statement.

Forward-looking statements are based on current expectations and assumptions and currently available data and are neither predictions nor guarantees of future events or performance. You should not place undue reliance on forward-looking statements, which speak only as of the date hereof. We do not undertake to update or revise any forward-looking statements after they are made, whether as a result of new information, future events, or otherwise, except as required by applicable law. For discussion of some of the important factors that could cause these variations, please consult the "Risk Factors" section of the Company's most recent Annual Report.

Nothing in this presentation should be regarded as a representation by any person that these targets will be achieved and the Company undertakes no duty to update its targets.

# Today's Agenda

**09:00 – 11:00**

Alsea's Overview and Strategy | Armando Torrado
Starbucks | Francisco Tosso and Christian Gurría
Domino's | Cosme Torrado
Full Service Restaurants | Jaime Vásquez
Digital | Pablo De Brito
Financial Overview and Outlook | Federico Rodríguez
Closing Remarks | Armando Torrado

**11:00 – 12:00**

Q&A

**12:00 – 14:00**

Lunch at P.F. Chang's Reforma 222

**14:00 – 18:00**

Guided visit to Operation Center (COA)

VIDEO

# Alsea

Alsea DAY 2024

# Armando Torrado

CEO

# THE **best team** IN THE Restaurant **Industry**

Alsea DAY 2024

**Pablo de Brito**
Commercial & Business Development
*3 years*

**Jaime Vásquez**
Full Service Restaurants
*21 years*

**Federico Rodríguez**
CFO
*17 years*

**Armando Torrado**
CEO
*34 years*

**Cosme Torrado**
Domino's Pizza
*13 years*

**Francisco Tosso**
Starbucks
*4 years*

**Christian Gurría**
Starbucks France and Benelux
*30 years*

# Global Footprint

**4,622** Units

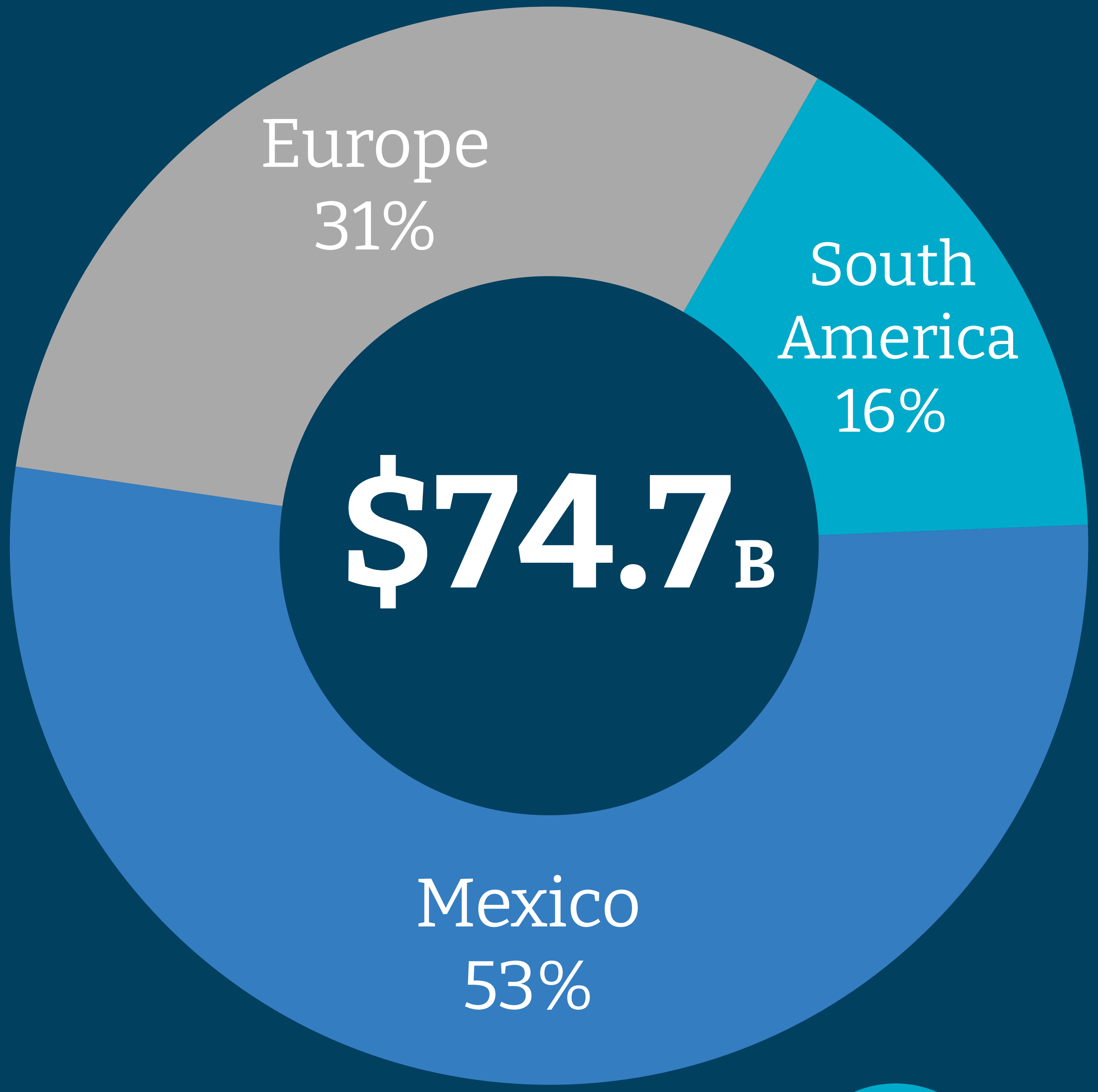
**77%** corporate
**23%** franchises

**12** Countries

**3** Segments

**460** **Million** Clients served

## **Revenues** by Region




**Alsea*** Mexican Stock Exchange (BMV)

**1990** Founded

**$55 B** Market Cap[1]

**$10.6 B** EBITDA

**14.2%** EBITDA margin

**1.9x** Net Debt / EBITDA

**+77,500** team members

[1] Market Cap as of March 8th, 2024.

Information as of December 31st 2023, figures in Mexican pesos and Pre-IFRS 16.

# **Strategic** Business Model

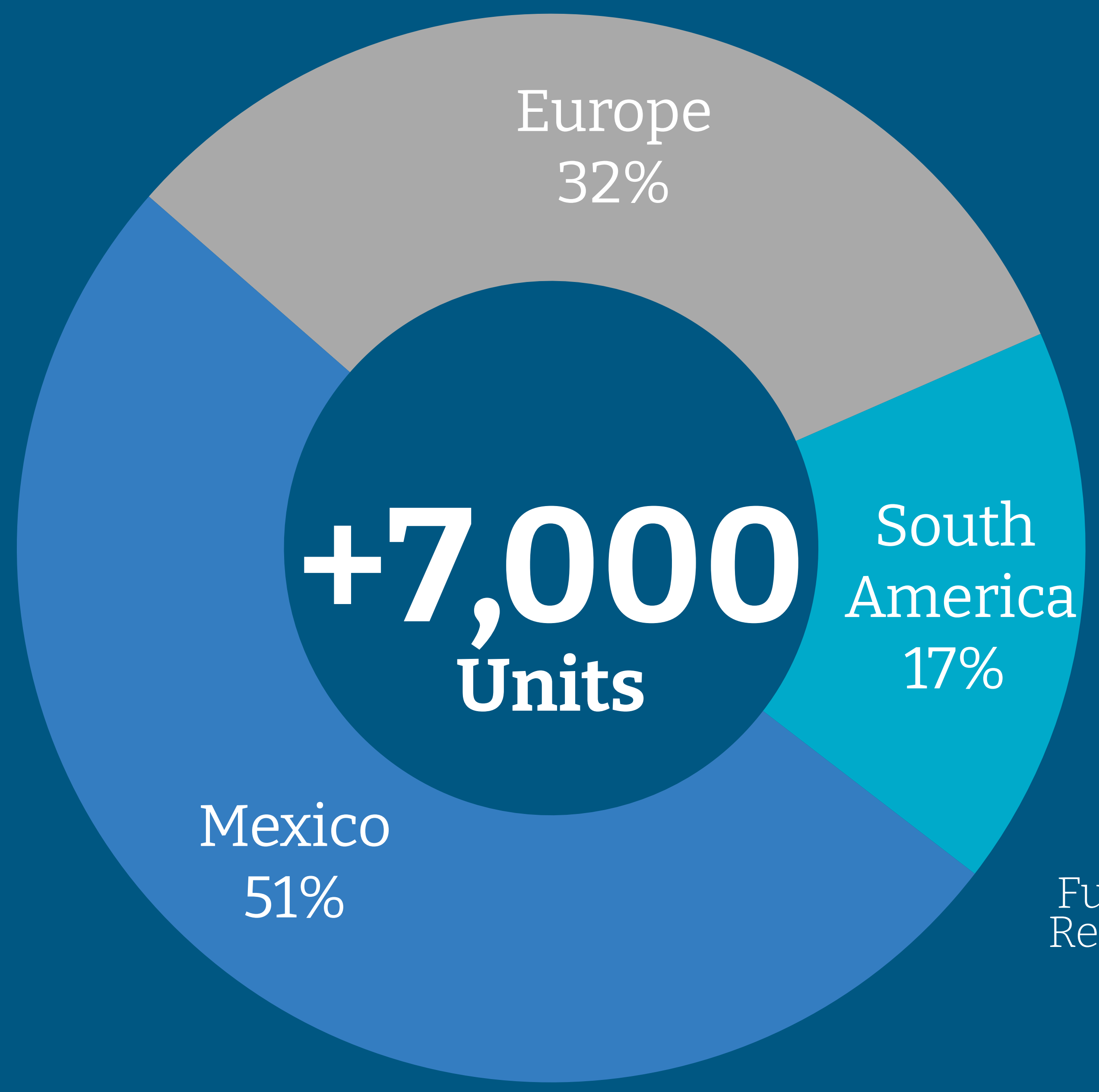
**4** PILLARS

# 2023 Guidance was successfully achieved

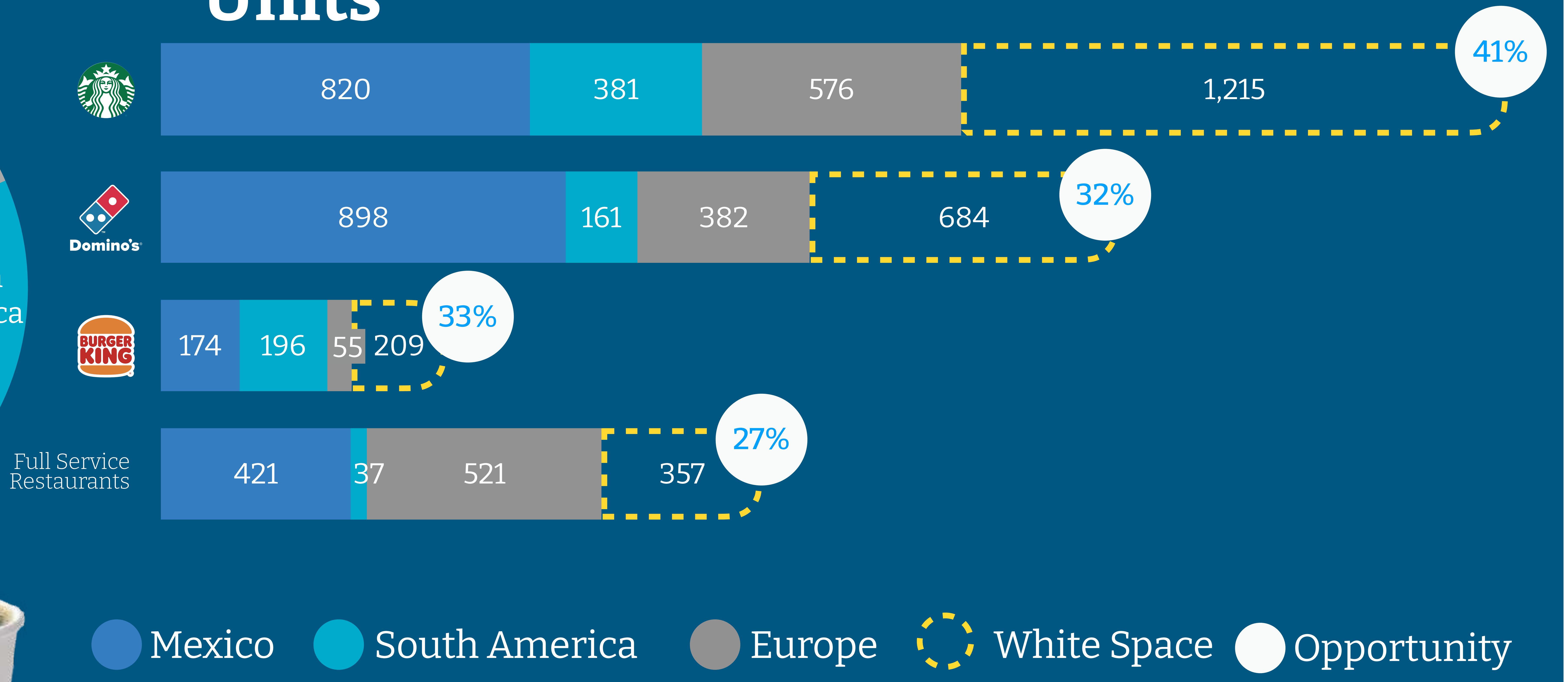
| | | 2023 Guidance | vs. FY23 | |
|---|---|---|---|---|
| Top Line Growth | Openings | 250-290 | 257 | ✓ |
| | SSS | 14%-17% | 14.7% | ✓ |
| | Revenues | >13% | 10.7%* | ✗ |
| PRE IFRS 16 | EBITDA Growth | >15% | 22.3% | ✓ |
| | EBITDA Margin | >13% | 14.2% | ✓ |
| | Gross Debt/EBITDA | ~2.8x | 2.5x | ✓ |
| | ROE | 18%-19% | 28.1% | ✓ |
| POST IFRS 16 | EBITDA Growth | >10% | 13.6% | ✓ |
| | EBITDA Margin | >20% | 20.9% | ✓ |
| | Gross Debt/EBITDA | ~3.3x | 2.8x | ✓ |
| | ROE | 21%-23% | 31.5% | ✓ |

*Excluding FX effect revenues were 19.7%

# Market Holding Capacity




## Units




35%

**+2,460**
Alsea white space

**~1,270**
Mexico

**~760**
Europe

**~430**
South America


ALSEA

# Starbucks: A glimpse INTO ITS future

**Francisco Tosso**
Starbucks

# About Starbucks

STARBUCKS

## Worldwide

**#1**
Coffee Shop Company in the world

**86**
Current global markets

**$36 B usd**
Global Retail Sales 2023

**+38 K**
Global stores

**48%**
Franchised

**+381 K**
Partners


## Alsea

**#2**
Starbucks operator in the world

**12**
Current global markets

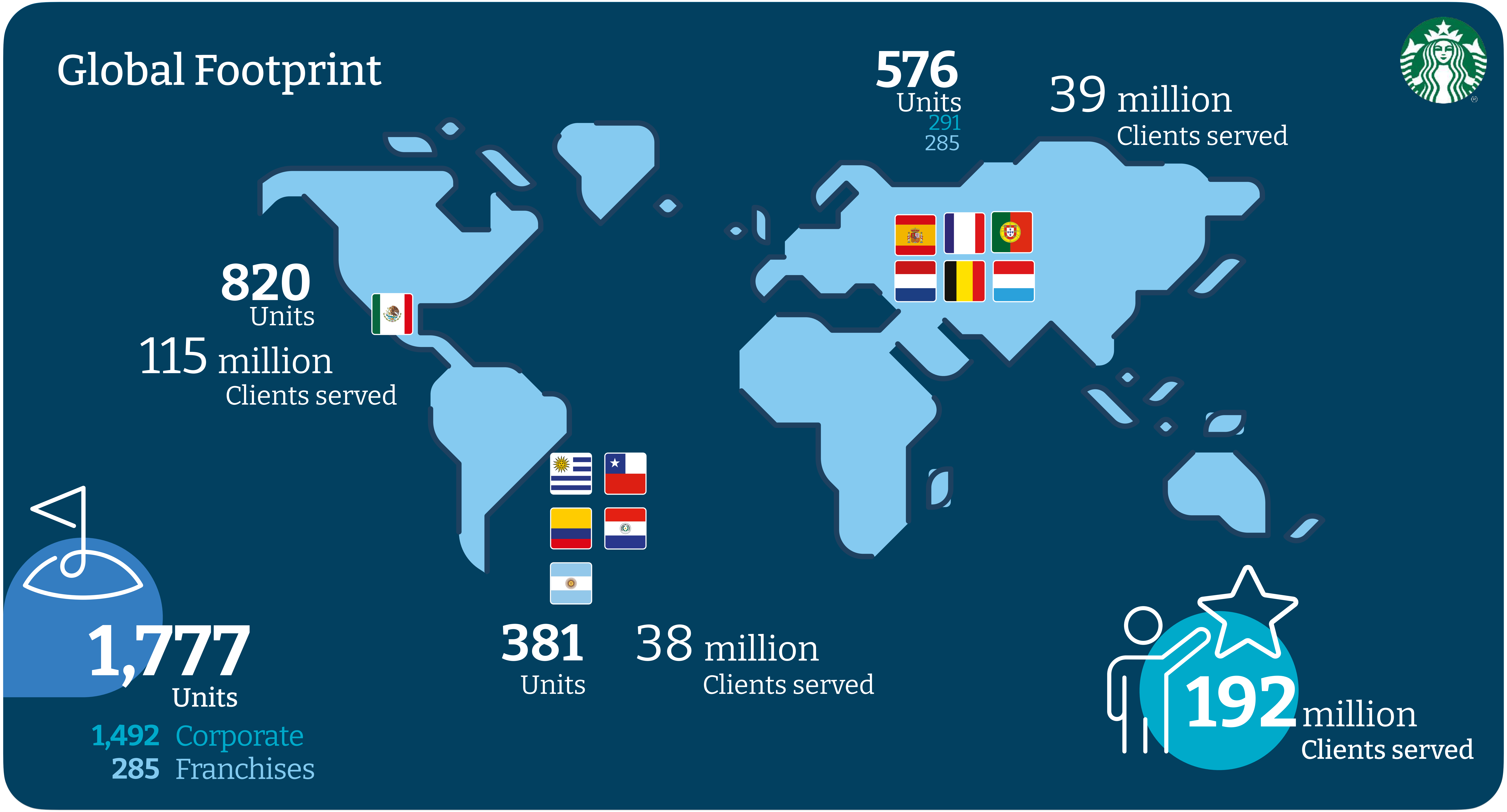
**~$1.9 B usd**
Sales 2023

**1,777**
stores
Corporate **1,492**
Franchises **285**

**16%**
Franchised

**+26 K**
Partners

*Starbucks system sales in Alsea


Global Footprint
576
Units
291
285
39 million
Clients served
820
Units
115 million
Clients served
381
Units
38 million
Clients served
1,777
Units
1,492 Corporate
285 Franchises
192 million
Clients served

# Our Journey

## Unparalleled Track Record of Successful New Country Development and Operational Turnaround

Longstanding Key Strategic Operating Partner for Starbucks Corporation since 2002

| | | # Units | # Markets |
|---|---|---|---|
| 2002 | 1st Starbucks in Mexico | 4 | 1 |
| 2003 | Starbucks Chile | 22 | 2 |
| 2008 | Starbucks Argentina | 308 | 4 |
| 2012 | 1st Sustainable Store (Mexico) | 472 | 3 |
| 2014 | Starbucks Colombia | 609 | 4 |
| 2017 | 1st Reserve LatAm (Chile) | 901 | 4 |
| 2018 | Opened 1,000th store; Starbucks Uruguay | 1,024 | 5 |
| 2019 | Europe Acquisitions: Spain, Portugal, France and Benelux | 1,539 | 11 |
| 2023 | +380 Stores in Alsea South America; Starbucks Paraguay | 1,777 | 12 |

**34%**

2002-2023 CAGR

# Units
# Markets

# Strategic Business Model


## Accelerated Growth

- Regional competitiveness in communication, and store/product aesthetics
- Accelerated Expansion Plan by region, profitability and strategy
- Marketing Plan 2.0
- Pricing model

## Operational Excellence

- Workforce Management focused on improving productivity
- Layouts and Equipment: high operating efficiency
- Digitalization
- Supervision Model

## Competitive Advantages

- Data Analytics
- Partner culture
- Third place: leaders in disruptive innovation
- Improve digital experience with Starbucks Rewards

## Partners

- Education through digital learning
- Organizational communication
- Human value

# Innovation Strategic Pillars

## Customer

- Starbucks Digital Solutions
- In-store Communication
- Price Management

## Store

- Operational Digitalization
- Workforce Management
- Design

# Christian
## Gurría

Starbucks France and Benelux

# **Case Study:** Starbucks France

## Being Locally Relevant Brand

- Understanding the Local Market and Customers / 85% Locals Vs. 15% Non-locals
- Food elevation
- Digital Ecosystem: Starbucks Rewards, Mobile Order and Pay, and Delivery
- Relevant beverage, food and merchandise campaigns
- One Starbucks Alignment

## Alsea's Operational Excellence Model

- Successful turnaround story
- Inspired and engaged organization with an Owners/Growth Mindset, a Clear Vision and Local Leadership
- Differentiated and elevated Customer Experience, with a strong Digital Ecosystem
- Locally Relevant brand with Positive Reputation
- Accelerated and Profitable Growth, with Strong Store Footprint across all channels
- Dedicated strategic franchisees and channel licensees are enthusiastic about advancing the development of the brand

## Cracking the Business Model

- Clear 5 year Development Strategy
- Accelerated growth through multiple formats
- 80+ Franchisee's signed 5-year Development Agreement
- Cultivating relationships with landlords, developers and strategic partners

# France

## 2024 STRATEGIC APPROACH – **“NURTURING HUMAN CONNECTIONS”**

### Growth

Stores
55+ Cities

Multiple Formats
+DT Stores
+High Profile Store
+100% Green Store

### Digital


250K
Active Members
22%
Tender

B2B Delivery
Bundles
Promos

### Customer experience

Coffee Experience


Oleato National
Launch
April 2024

PARiS 2024

Olympic Games
**360 Categories Approach**


Food 2.0
Savory
Sweet & Bakery
Fresh


Food
Mix 23.5%
Attach 60%

### Partners

20th Anniversary Celebration

Social Agenda
One Youth–One Opp
Underprivileged Communities
Handicapped
Refugees

### Planet

Single Use Plastic-Free
In-Store Reusables
Waste Reduction
100% Green Store
Free Alternative Milks

Strategic partners

One brand

# Cosme
## Torrado
Domino's Pizza

# About Domino's Pizza

Domino's

DOMINO'S PIZZA

## Worldwide

**#1**
Pizza Company in the world

**94**
Current global markets

**$18.3 B usd**
Global Retail Sales 2023

**+20 K**
Global stores

**99%**
Franchised

**+350 K**
Dominoids

## Alsea

**#3**
Domino's operator in the world

**4**
Current global markets

**~$1 B***
Sales 2023

**1,441**
stores
Corporate **912**
Franchises **529**

**37%**
Franchised

**+24 K**
Dominoids

*Domino's Pizza system sales in Alsea

# Global Footprint

**382** Stores
315
67

28 million
Clients served

**898** Stores
486
412

52 million
Clients served

**161** Stores
111
50

10 million
Clients served

**1,441** Units
**912** Corporate
**529** Franchises

**90** million
Clients served

# Strategic Business Model


## Operating model

- ~34 year track record of successful brand operation
- One brand, one store, two businesses
- Demonstrated growth in all operational countries, capitalizing profitable opportunities | Master Franchisee
- Strong and proven business model that generates franchise royalties and fees, supply chain revenue and retail sales from corporate stores
- Proprietary delivery system
- Integrated supply chain

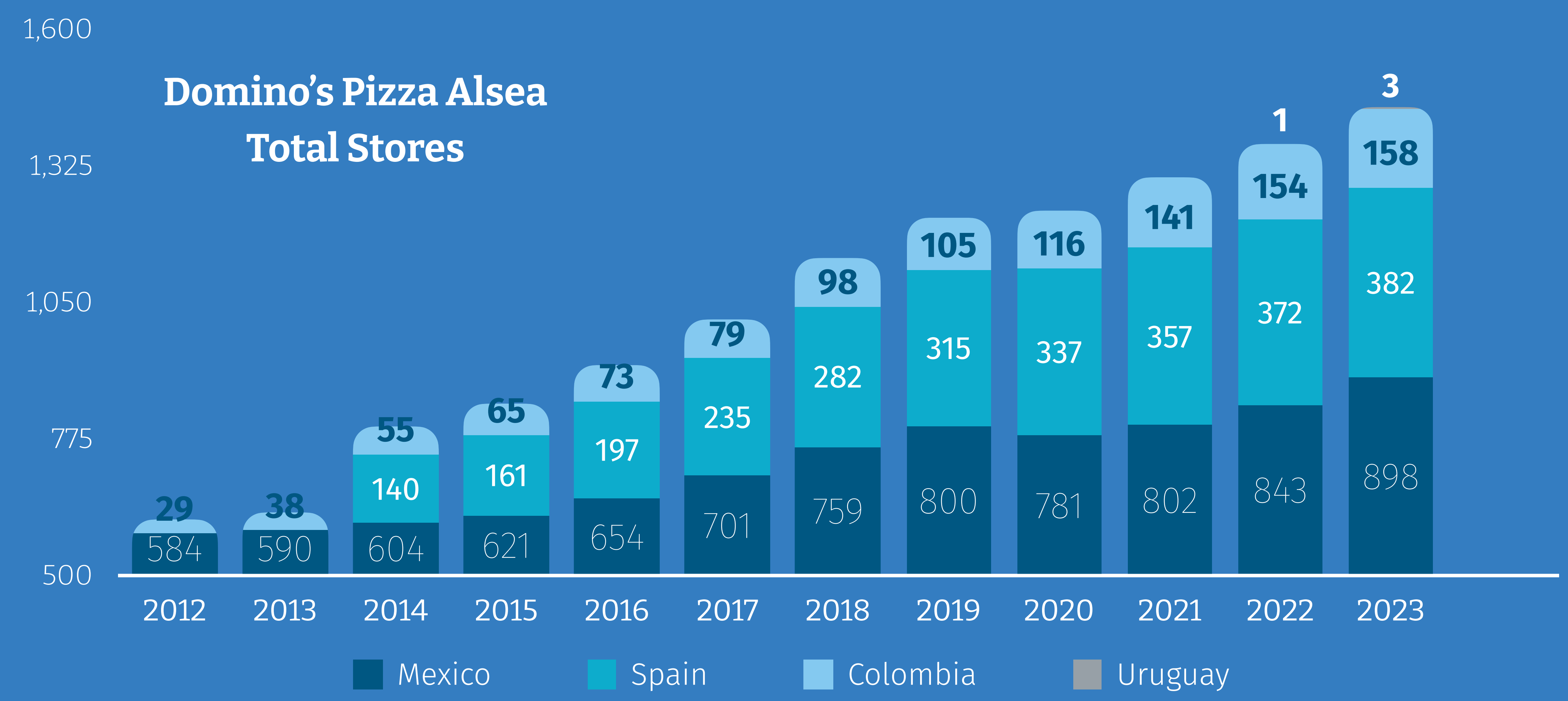
## Technology

- One operating system focused on improving customer experience
- Pioneering use of GPS technology in our Domino's Tracker system
- Domino's Rewards program to be launched during the 2nd half of 2024
- +40% digital sales tender

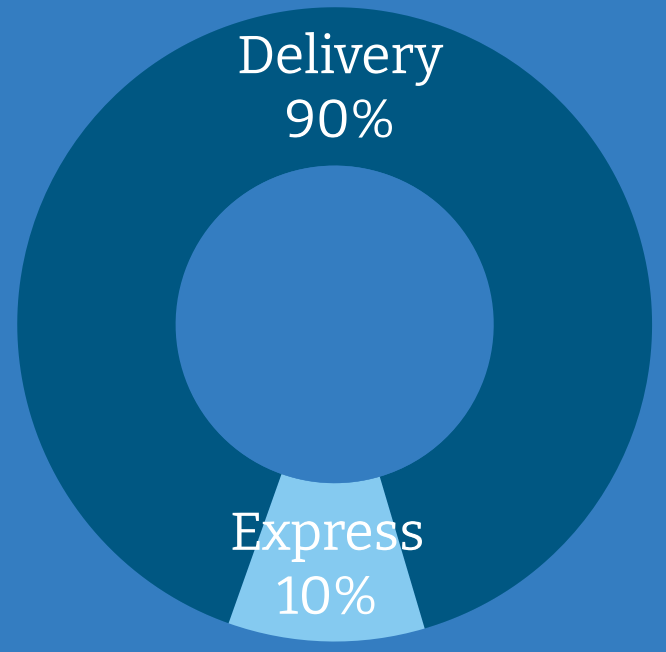
## Culture

- Purpose-inspired and performance-driven
- Exceptional people committed to feeding the power of possible, one pizza at a time
- Customer centric, focusing on product, service and image

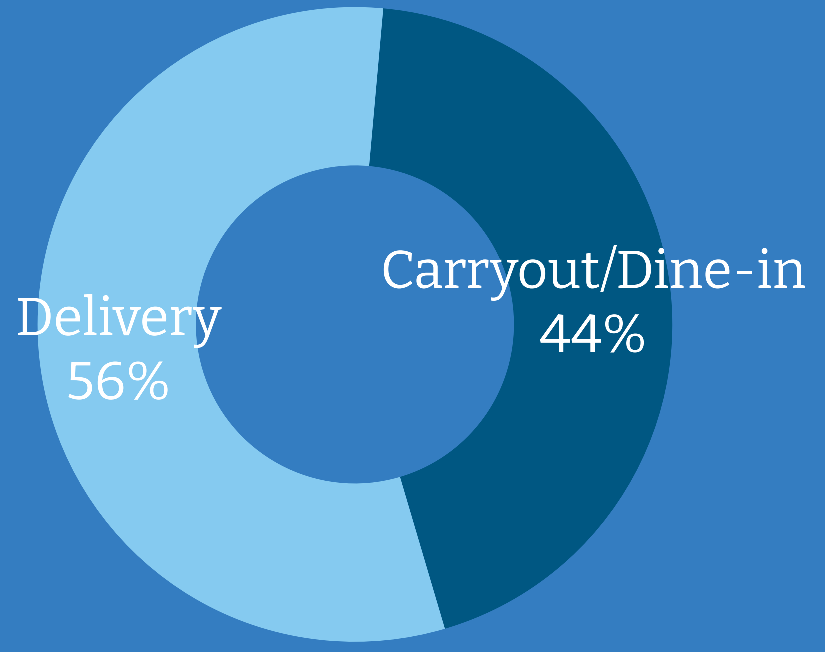
# Domino's at a Glance



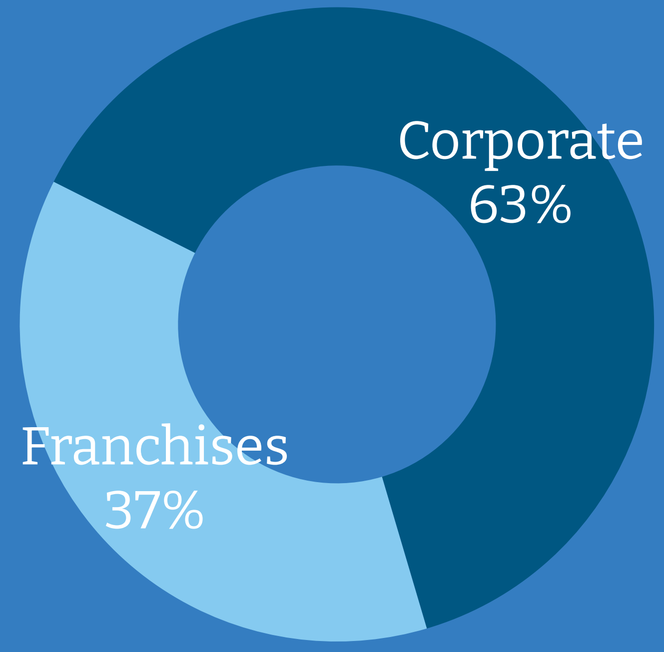

Store Format




Sales by Channel




Store Owner




## CAGR 8.1%

store count

**7.6%** corporate

**9.0%** franchises

Domino's

## Franchise Model Development

### Delivery stores:

- Carryout / Dine-in / Pick-up window and delivery (telephone, cloud, 3rd parties and WhatsApp)
- Golden Mile protected

### Express stores:

- Food court and dine-in
- Might be in a current trade area

## Tech Forward

- Full deployment of cloud platform
- Launch of loyalty platform
- Fleet renovation | Electric vehicles
- Strategy expansion | Alsea Geo 2.0

## Human Capital Focus

- Training & development leveraging in new technologies
- New labor management model
- Agility & change management philosophy

# Transformational Innovation Approach

## Brand Revamp

- New brand communication
- Differentiated product innovation
- Promotional consistency
- Revenue growth management strategy across all channels

## Operations Transformation

- Consolidate Operations revolution via Cutting Edge
- Service excellence | Domino's legend

# Jaime Vásquez

Full Service Restaurants

# Strong
Presence

979
Restaurants

# Main
Segments

79 millions
Customers

# Leading
Brands

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## Familiar & Local Food

vips

| | | |
|---|---|---|
| Total Restaurants | **405** | |
| Corporate | 319 | 79% |
| Franchises | 86 | 21% |

## American Food

Chili's · The Cheesecake Factory · Foster's Hollywood

| | | |
|---|---|---|
| Total Restaurants | **318** | |
| Corporate | 200 | 63% |
| Franchises | 118 | 37% |

## Italian Food

Italianni's · Archies · Ginos

| | | |
|---|---|---|
| Total Restaurants | **225** | |
| Corporate | 173 | 77% |
| Franchises | 52 | 23% |

## Asian Food

P.F. CHANG'S

Total Restaurants **31**

# Full Service Restaurants
RESTAURANT INDUSTRY

## Industry Composition

Average ticket

| Average ticket | Segment |
|---|---|
| +$50 usd | Fine Dining |
| **$10 usd - $50 usd** | **Casual & Family Dining** |
| ~$10 usd | QSR |
| -$10 usd | Street Food |

# Market Value

**+100 billion usd**

Mexico Market Value **usd $64.6 B**

*Full-Service Restaurants 44.7%*
*Restaurant Chains 6%*

Spain Market Value **usd $44 B**

*Full-Service Restaurants 44.0%*
*Restaurant Chains 12%*

# Value Proposition

**Casual Dining Restaurants | Full-service dining experience in a thematical atmosphere**

Food Quality | Affordable Pricing | Specialized Food | Atmosphere

**Hospitality Experience**

# Our success and future opportunities

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## Restaurant
Industry is in good shape and moment

## Operational Excellence
Is key for our success

## Profitability
Margin contribution

- Consumer Demand
- Commodity Cost Moderating
- Staffing Normally
- Benefit of Scale

- Critical Mass
- Leading Brands
- Operations Worldwide Standard


- High Volume
- Sales & Margin
- Controlling Cost of Sales

## Product Innovation

- New Targets
- New Categories
- New Trends
- Strategic Alliances
- Commissary Kitchen

## Marketing & Digital

- New Audiences
  - Digital Universe
  - Media ecosystem
- Frequency & Loyalty programs
- Pricing & Menu management strategies
- Market Penetration

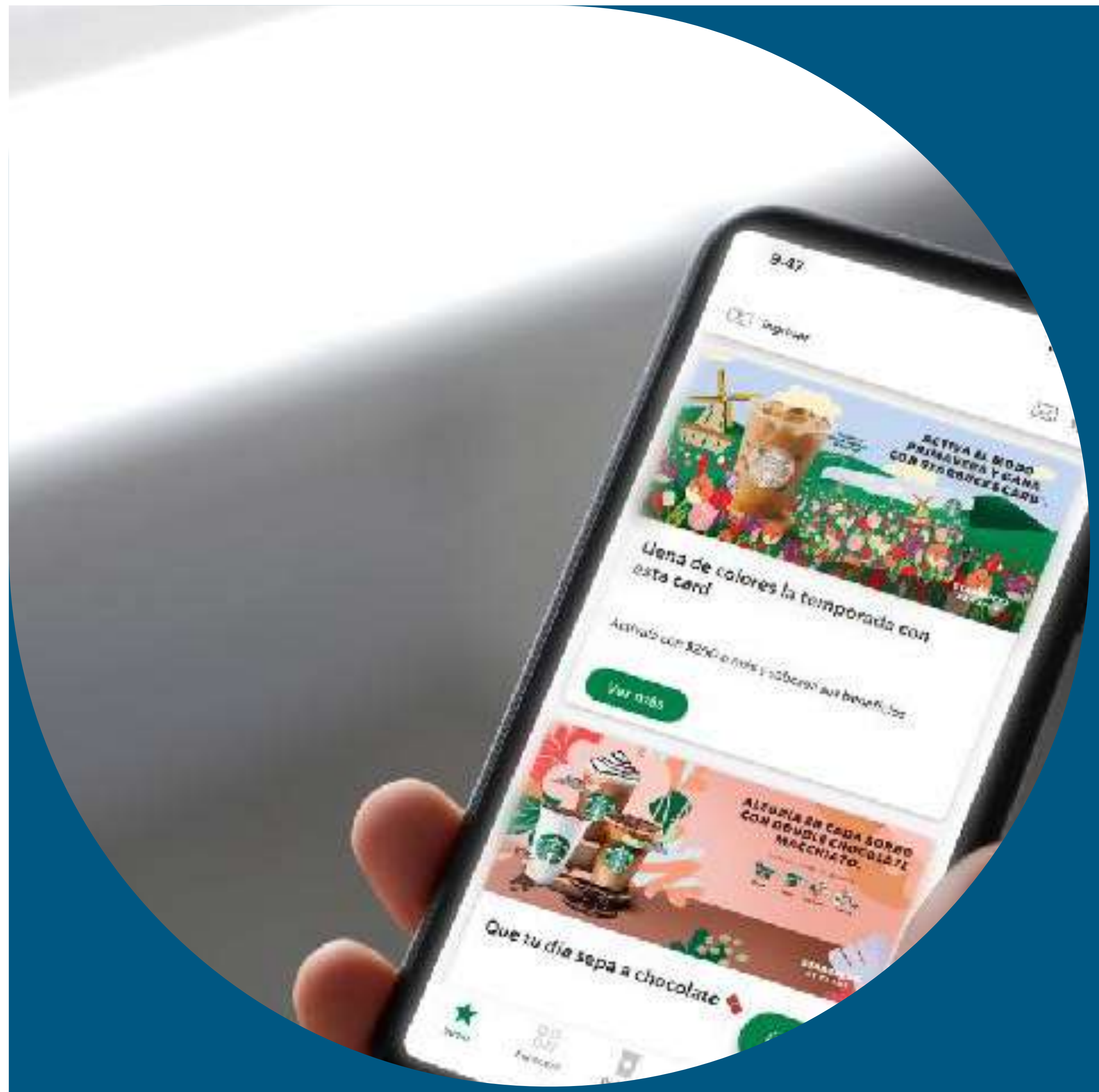
# 360° Innovation Strategy

## Strong Operational Vision

- People & Culture Focus
- IT
- Service Model | POS
- Internal Communications

## Store Formats

- Back of house optimization
- Front of house
- New Tech

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# Pablo De Brito

Commercial & Business Development

# Global Digital KPIs
2023

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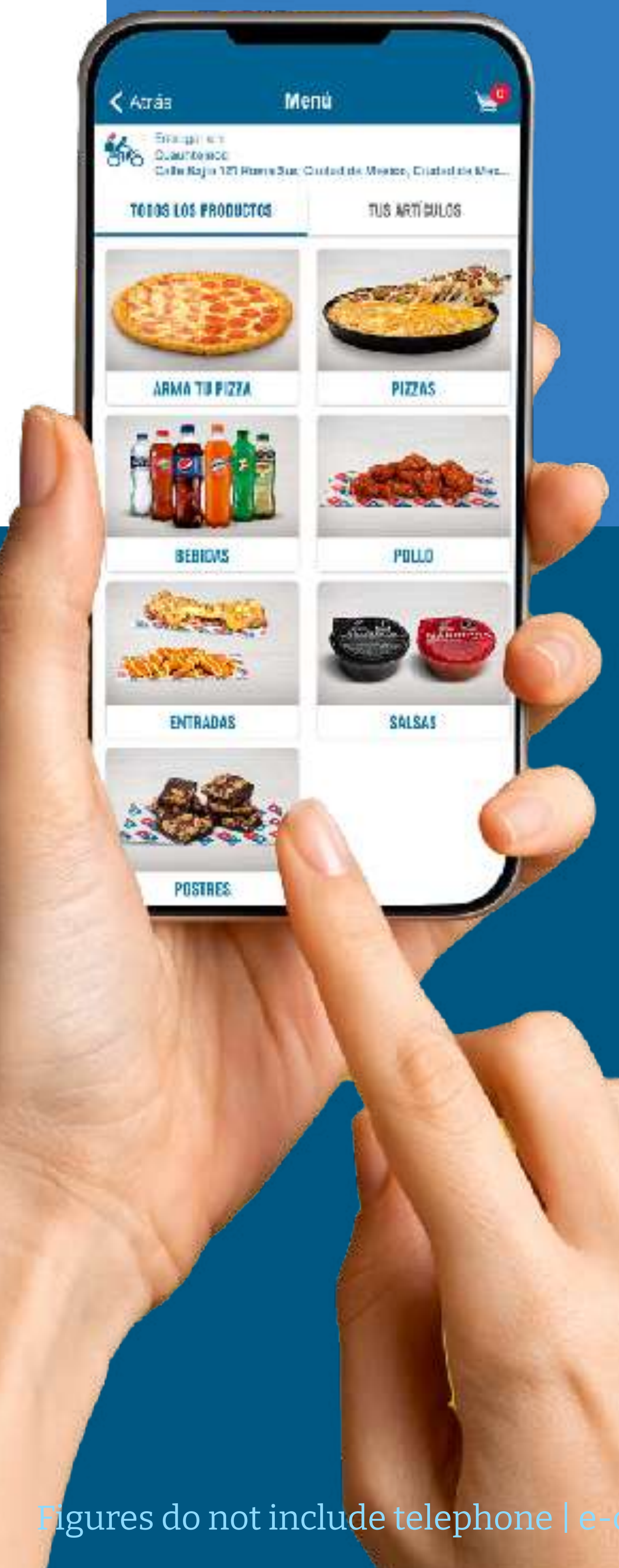
| Digital **Sales*** Tender | | Mexico | Europe | South America |
|---|---|---|---|---|
| | $20.3 Billion | $11.1 Billion | $6.3 Billion | $2.9 Billion |
| | | 31% | 31% | 27% |
| Digital **Customers** 180 days | 7.4 Million | 3.5 Million | 2.2 Million | 1.7 Million |

*Delivery + Loyalty



Tender
**31%**

6.4%[1]
Delivery **16.2%**
Loyalty **21.2%**

Digital Sales
**$20.3 B**
**24.4% vs. LY**

Digital Orders
**99 Million**
**26.1% vs. LY**

| | Growth vs. LY | Tender |
|---|---|---|
| Starbucks | 50.4% | 30.5% |
| Domino's | 8.8% | 42.1% |
| Burger King | 31.0% | 25.0% |
| **Full Service** | 8.7% | 24.2% |

Figures do not include telephone | e-commerce transactions linked to Wow+ are included as part of loyalty. Active customers of 90 days for Starbucks and 180 days for Domino's , Full Service Restaurants and Burger King. [1]Overlap between delivery and loyalty.

# Analytics & Insights

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## Market Research

Deep knowledge of the market, offer, competition and brand positioning

Global Market Share 2023

**12%** +0.4% vs. PY

- Mexico **17%**
- South America **6%**
- Europe **10%**

- Global Share of Market (SOM)
- Health Tracking Global Consolidation
- Inhouse Product Test Methodology
- Net Promoter Score Standardization

## Pricing & Revenue Management

Pricing and promotion strategy based on consumer perception, supply and socioeconomic environment

Creation of a dedicated function focused on driving revenue growth across the organization

**Sophisticated decision-making** | **Leveraging Market & Brand synergies** | **Proactive & Autonomous performance**

- Restaurant Segmentation
- Segmented Pricing
- Promotional Activation
- Sales Dialogue
- Delivery Pricing Strategy

## Customer Analytics

Detailed knowledge of our customers, their tastes, needs and consumption moments

Global 2023 CRM/Loyalty

**7.4** Million **Customers**

**$14** Billion **Sales**

**~70** Million **Orders**

- Global alignment of customer segmentation
- Standardization of customer journeys and customer KPI's across all Markets
- Incrementally Measurement
- Methodology for Loyalty Programs

# Pricing & Revenue Management

**ALSEA** is establishing a professional global revenue growth management function, progressively sophisticating its expertise and capabilities to drive value across the organization

## CORE PILLARS

**Restaurant** Segmentation
- Define the optimal number of price groups
- Establish the classification rules for both current and new restaurants

**Segmented** Pricing
- Design new price lists (price per product) for each cluster
- Prices are differentiated by channel

**Promotional** Activation
- Define adjustments in current promotions
- Establish best new promotional mechanics per occasion and objective

**Product & Price** Display
- Propose changes in physical and digital menu
- Analyze new menu layout with the introduction of new products

**Delivering Pricing** Scheme
- Identify the optimal delivery pricing metrics depending on channel maturity stage
- Define delivery fee, min. order, service fee

## ROADMAP

- **Spain** — 2023 **H1**
- **Mexico** — 2023 **H2**
- **Chile, Spain and France** — 2024 **H1**
- **Colombia and Argentina** — 2024 **H2**
- Alsea — 2025

# CRM & Loyalty Evolution

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| | Starbucks | Domino's | Burger King | Mexico / Spain |
|---|---|---|---|---|
| **In-house Loyalty Program** | ✗ | ✗ | ✗ | ✓ |
| **Loyalty Strategy 2023** | STARBUCKS REWARDS | PIECE of the PIE REWARDS | MI BK | vips, Italianni's, club·by, Foster's Hollywood |
| **Segmentation** | New Customer Lifetime Value segmentation model | | | |
| **Digital Platforms** | SDS Migration | CLOUD Migration | BKC Launch | ALSEA Omnichannel Platforms |
| **Countries** | Europe ✓<br>Mexico ✓ | Mexico ✓<br>Spain<br>Colombia ✓ | Mexico<br>Chile<br>Argentina | Mexico<br>Spain ✓ |
| **Growth** | ↑ 62.1% | ↑ 3.5% | ↑ 106% | ↑ 14.8% |
| **Tender** | 23.2% | 31.4% | 2.3% | 17.5% |

# Digital Transformation

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## Case Study: Starbucks Mexico

**Digital Tender 2023**

**38.3%**

**29.5%** SBX Rewards

**Digital Sales**

**44.8%** Vs. PY

**+48.8%** SBX Rewards

**Active Members 90 Days**

**+1.13 M**

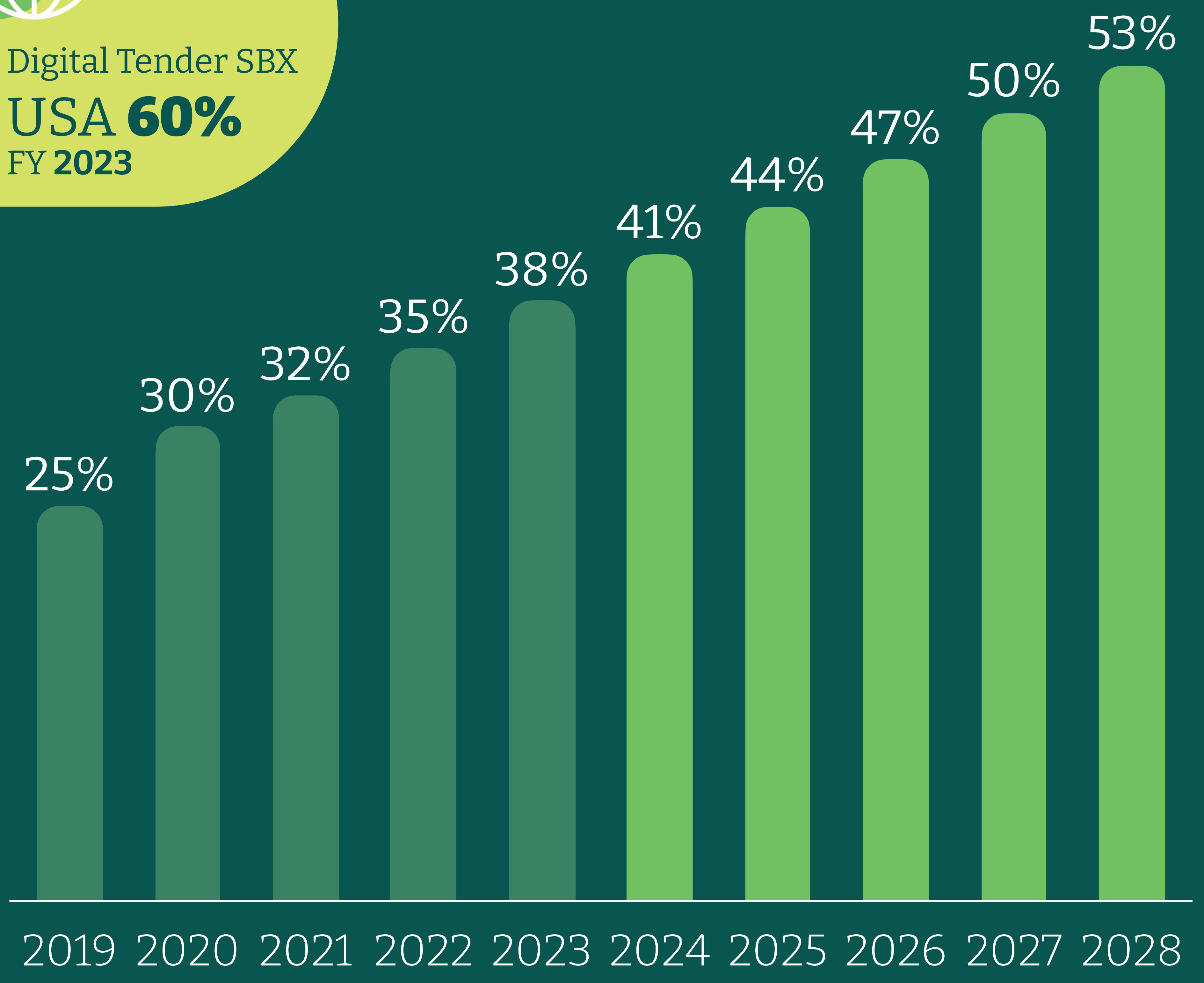
**37% Vs. PY**

**Frequency**

**2.3x** Vs. Offline

Digital Tender SBX
USA **60%**
FY **2023**

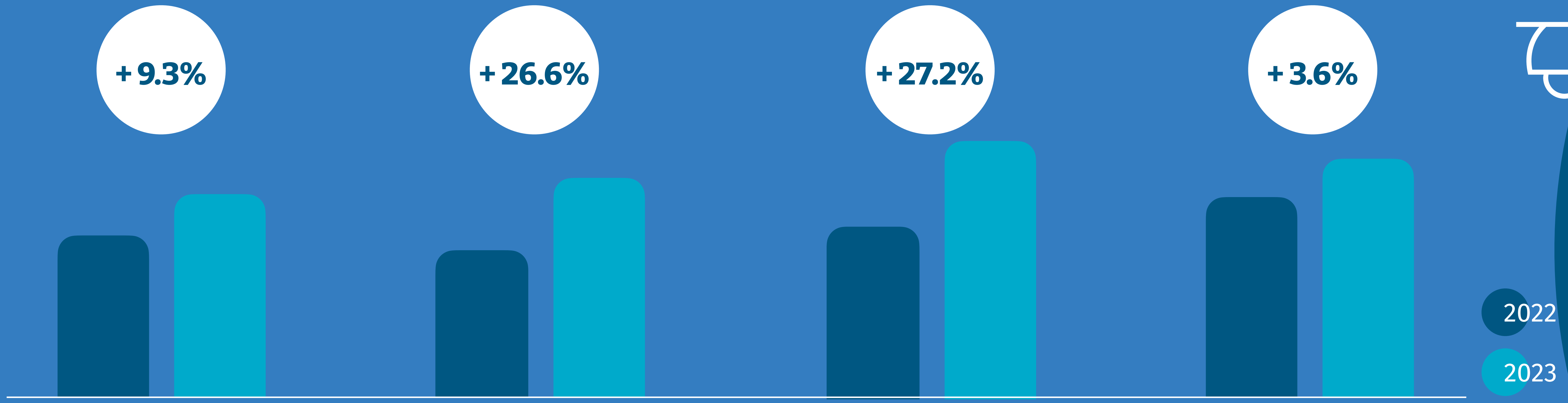
## Tender Digital Mexico




| | **Mexico** | **Chile** | **Argentina** | **France** | **Spain** |
|---|---|---|---|---|---|
| Tender | LYT 29% \| DLV 9% | LYT 29% \| DLV 4% | LYT 17% \| DLV 5% | LYT 13% \| DLV 5% | LYT 18% \| DLV 3% |
| Freq. (90 days) | 9.6 | 7.1 | 5.9 | 3.9 | 5.9 |
| Active Customers | 1.13 M | 131 K | 144 K | 178 K | 184 K |

# E-commerce & Delivery Aggregators

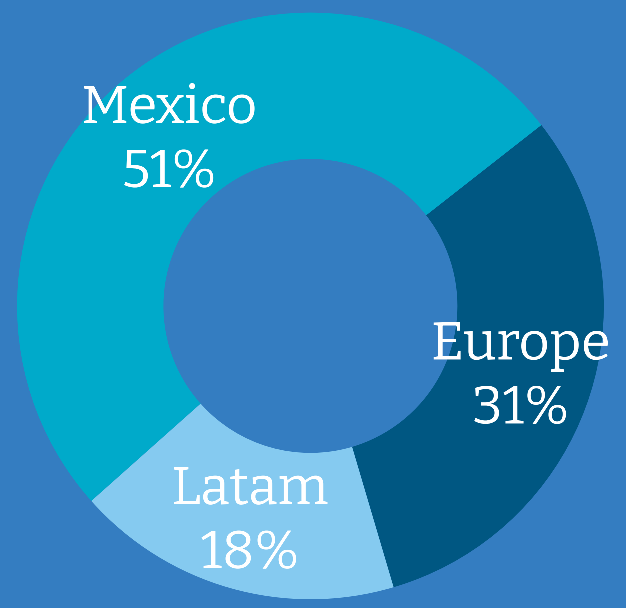
## Digital delivery sales



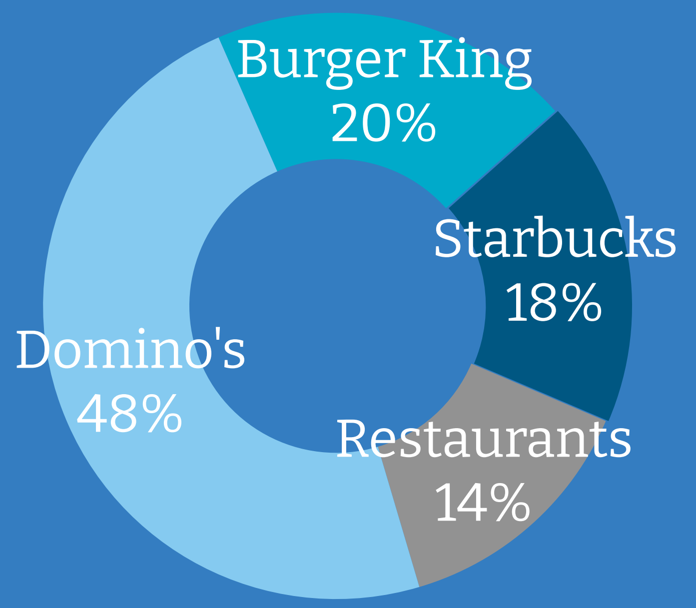

| | | | |
|---|---|---|---|
| Domino's | Starbucks | Burger King | Full Service Restaurants |
| Tender | Tender | Tender | Tender |
| **42.1%** | **7.6%** | **21.9%** | **7.1%** |

## Delivery distribution

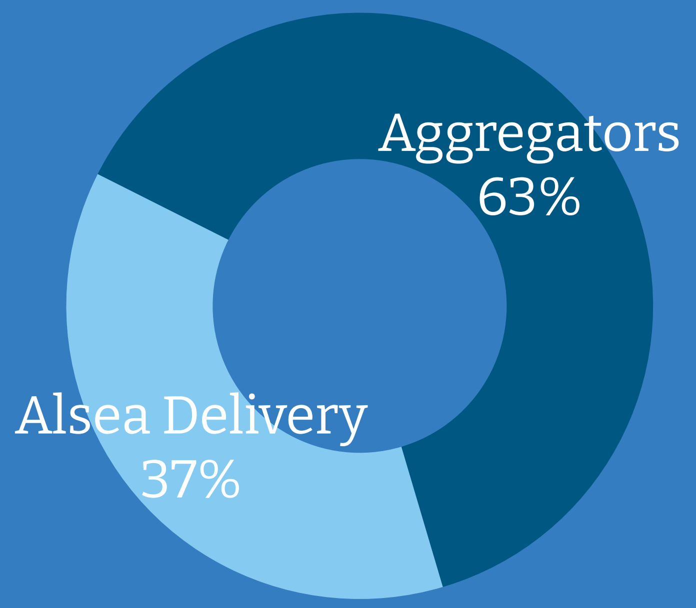
### By Region




### By Brand




### By Delivery Channel




## Delivery roles

### Aggregators

- Capturing Incremental Sales & Share in Preferred Consumer Channel
- Strategies with Ads, Offers and Segmentation

### Own delivery

- Capture Most Loyal Customers Delivering Best Brand Value
- Strongest vertical in-house delivery with its own platforms

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# Federico Rodríguez

CFO

# 2024 **Guidance**

**Top Line** Growth

Openings
**250 - 300**

**180-230**
Corporate

**~70**
Franchises

CAPEX
**$6**
billion pesos

SSS
**7%-9%**

Revenues
**>10%**

PRE IFRS 16

**>11%**
EBITDA Growth

**≥14.2%**
EBITDA Margin

**~2.5x**
Gross Debt/EBITDA

**28%-29%**
ROE

POST IFRS 16

**>10%**
EBITDA Growth

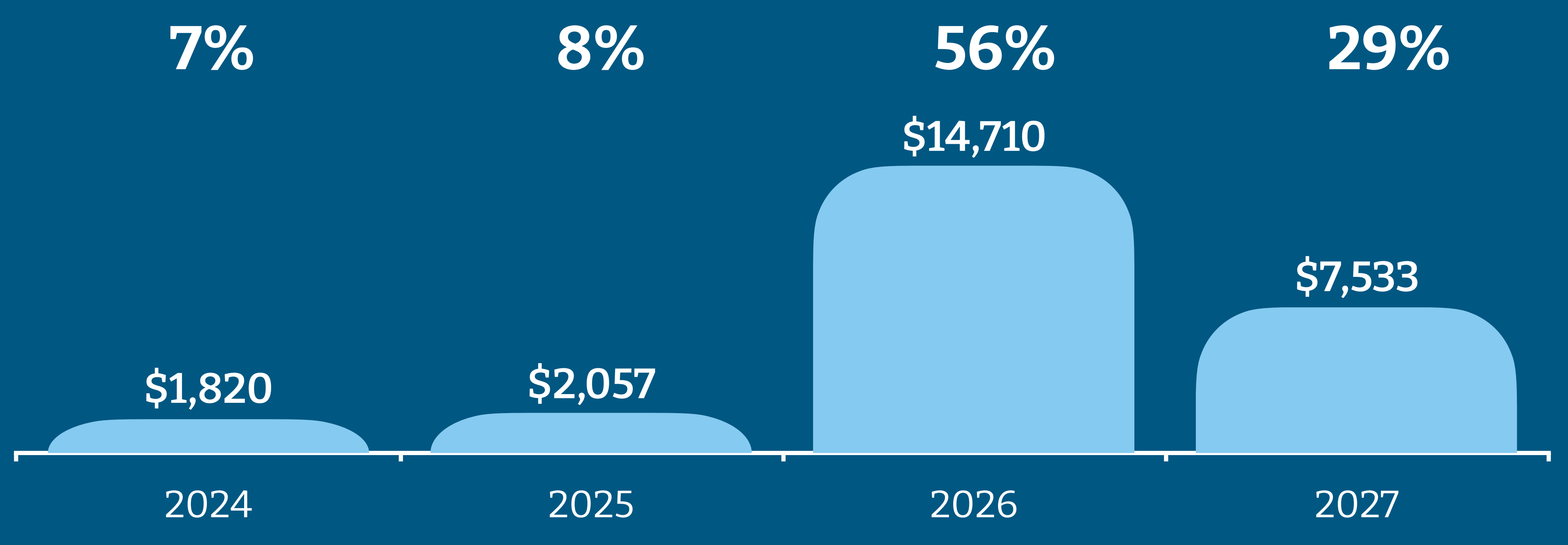
**≥20.9%**
EBITDA Margin

**~2.9x**
Gross Debt/EBITDA

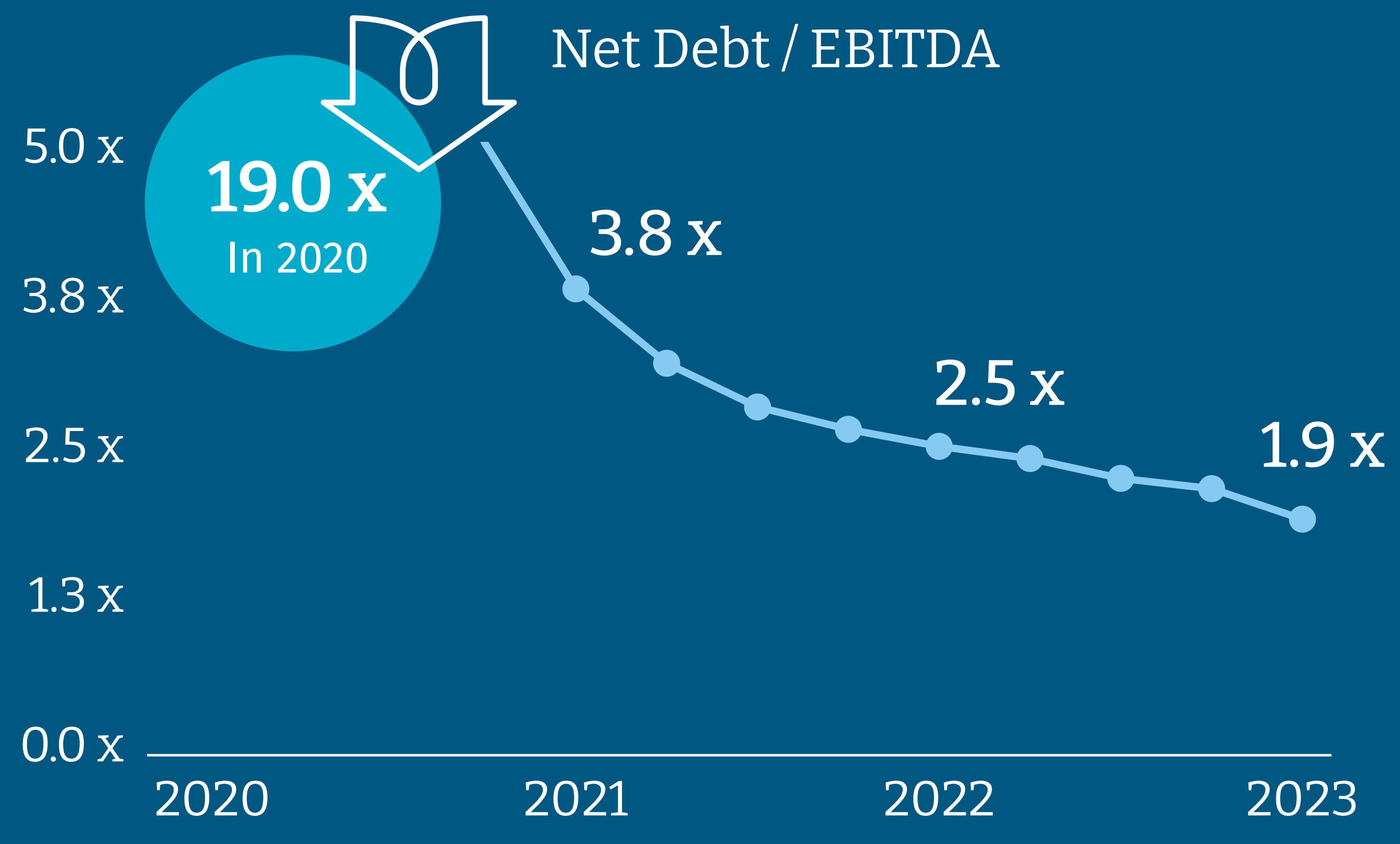
**30%-31%**
ROE

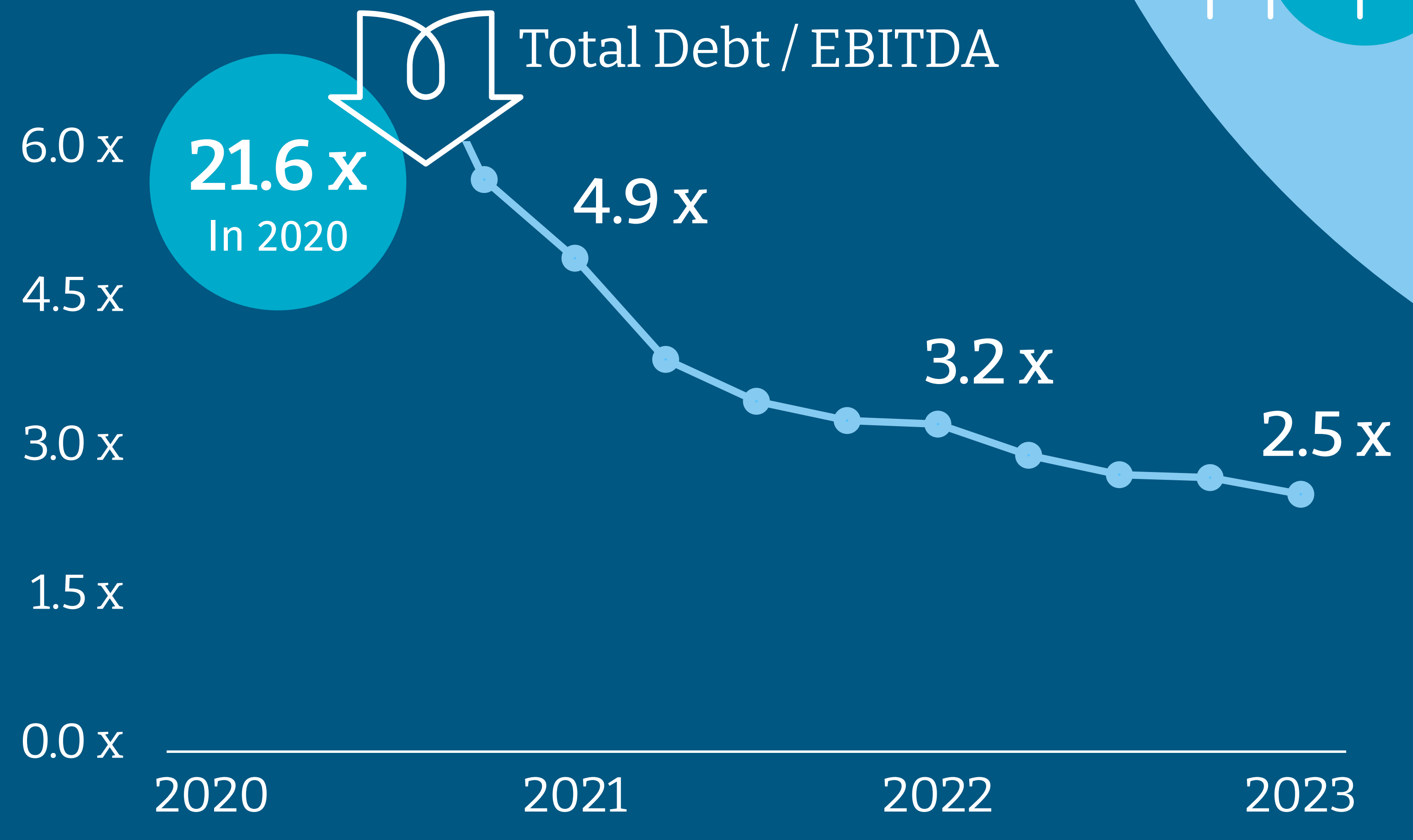
# **Strong Balance** Sheet

## Maturity profile




## Leverage Ratios




Figures in Mexican pesos and pre-IFRS 16

### Debt Profile

- **Cost:** 10.48% average rate
- **Debt Balance:** $26.1 billion As of December 31, 2023
- **Minority Stake** acquisition on February 2024
- **Target Net Debt/EBITDA:** ~2.0X
- **Cash position:** $6.4 billion

### Long-Term Debt

- No near-term fixed debt maturities
- $24.2 B in long-term debt

### Credit Ratings

- **Moody's:** BA3 Stable outlook
- **Fitch:** A+ National, BB international Stable outlook
- **HR Ratings:** A+ Stable outlook

# General & Administrative Expenses

**Leveraging G&A while directing investments**
towards sustainable growth

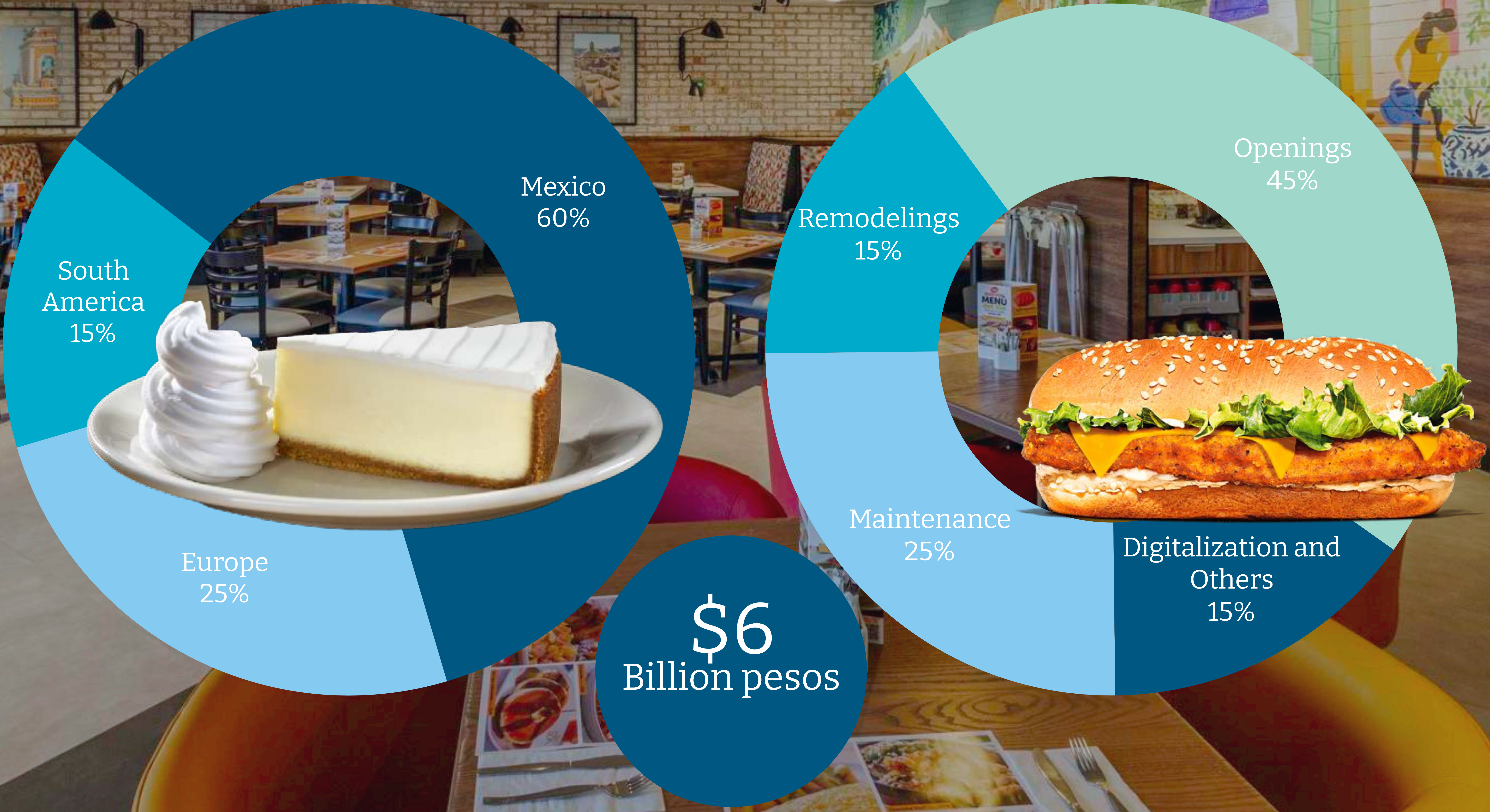
G&A as a percentage of Total Sales

**6.3%**
2019

**5.7%**
2023

**2029 at ~5.0%**

# Capex 2024


Mexico
60%
South
America
15%
Europe
25%
$6
Billion pesos
Openings
45%
Remodelings
15%
Maintenance
25%
Digitalization and
Others
15%

# Maximizing Returns with Disciplined Capital Allocation

## Strong Shareholder Returns

### Capital Deployment Priorities

- Invest in organic growth
- Reinvest in our business
- Return cash to shareholders
- Strong balance sheet

### Excess

**Total Shareholder Return**
Over the Long-Term

**Setting Alsea Up for Long-Term Growth**

# Closing Remarks

# Investment Thesis

Alsea DAY 2024

**Alsea is an industry leader in QSR, Full Service Restaurants and Coffee Shops** and will continue to benefit from ongoing growth in these segments

**Highly profitable and diversified portfolio,** ample room to grow as strategic partners for global brands

**Investing in profitable growth,** while leveraging our uniquely advantageous position to operate restaurants and coffee shops by **consistently implementing best practices**

**Generating value through responsible capital allocation and disciplined operational practices,** targeting long-term Net Debt/EBITDA at around 2.0x with a focus on organic growth

# Q&A

# THE **best team** IN THE Restaurant **Industry**

Alsea DAY 2024

**Jaime Vásquez**
Full Service Restaurants
*21 years*

**Armando Torrado**
CEO
*34 years*

**Francisco Tosso**
Starbucks
*4 years*

**Pablo de Brito**
Commercial & Business Development
*3 years*

**Federico Rodríguez**
CFO
*17 years*

**Cosme Torrado**
Domino's Pizza
*13 years*

**Christian Gurría**
Starbucks France and Benelux
*30 years*