

PIZZA PIZZA ROYALTY CORP.

Annual General Meeting May 31, 2017



ELIZABETH WRIGHT

Pizza Pizza Royalty Corp.
Board Chair





FORWARD- LOOKING STATEMENTS

- This presentation will contain forward-looking statements.
- Investors should be aware that any forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those disclosed here today.
- Investors are directed to the Company's Annual Information Form for a full discussion of risks.
- Management does not intend to discuss any undisclosed material information today.



PAUL GODDARD

Pizza Pizza Limited
Chief Executive Officer





PIZZA PIZZA ROYALTY CORP. ASSETS



**Trademarks & Tradenames are
the Company's major assets**

\$35.3 MILLION IN ROYALTY REVENUE

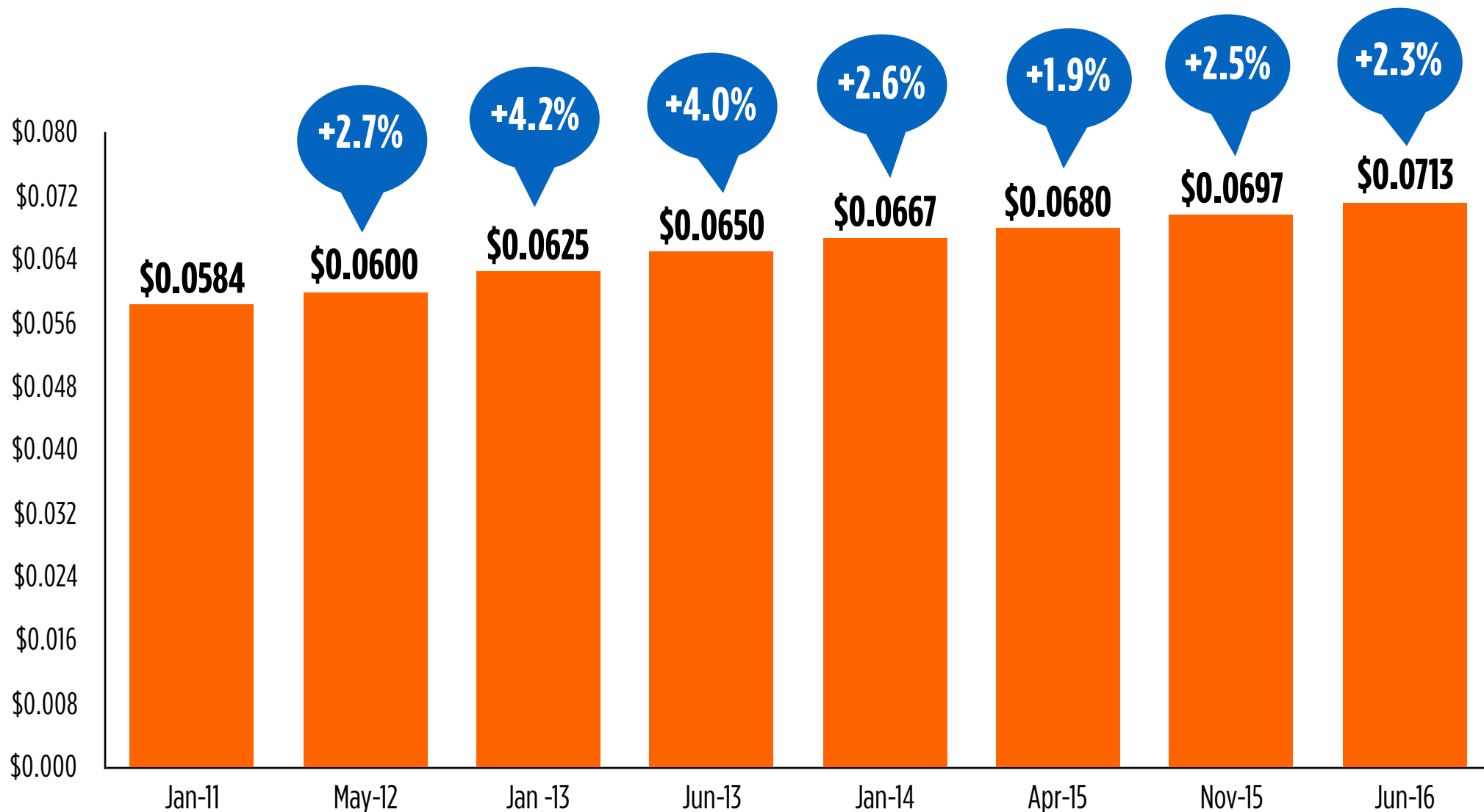
(\$545 MILLION SYSTEM SALES)



Licence and royalty agreements with Pizza Pizza Limited provide cash flow stability to investors, without exposure to operational risks.



MONTHLY DIVIDEND GROWTH



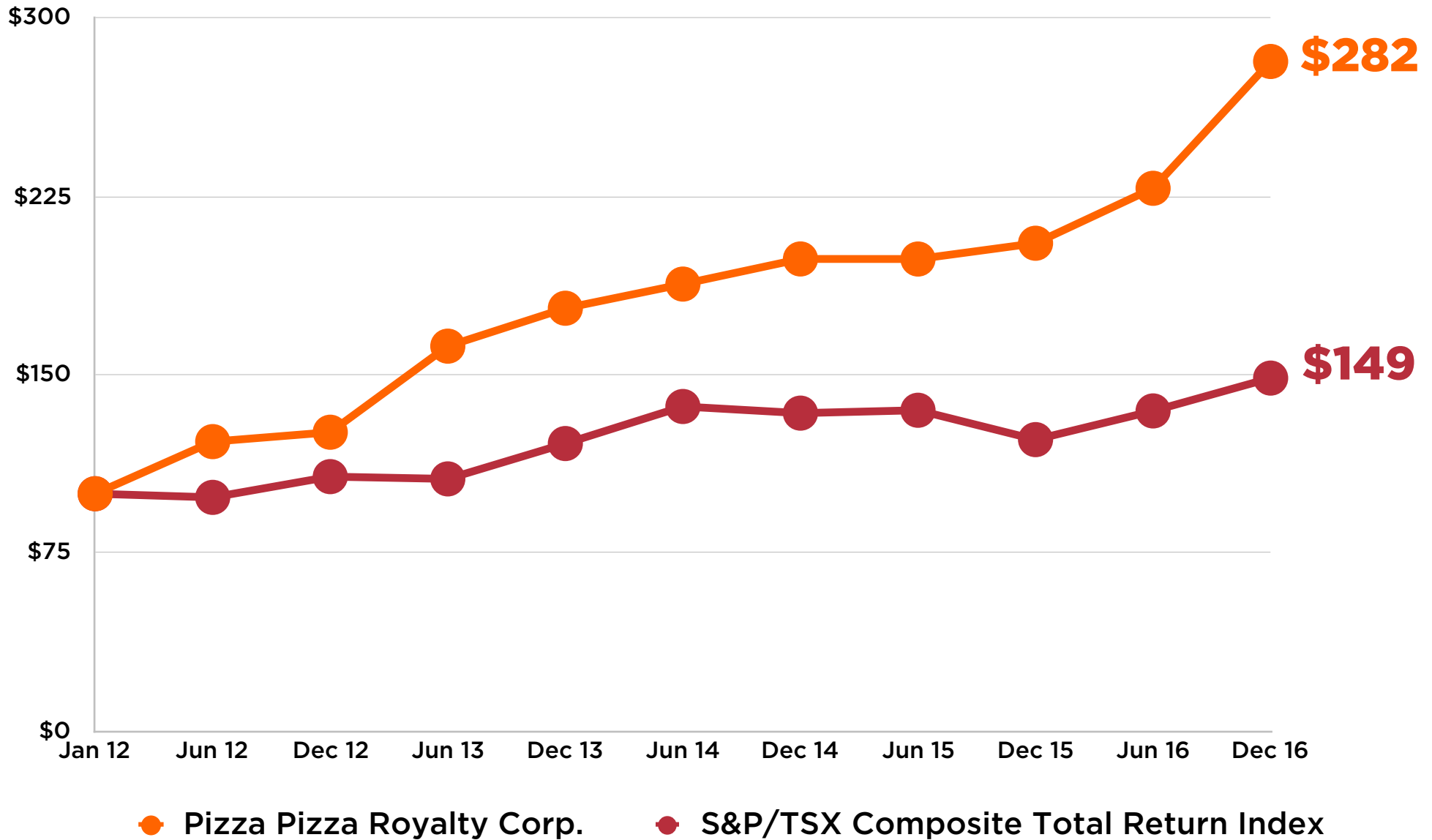
PPRC increased dividends seven times in five years.

PZA SHARE PERFORMANCE



Shareholder total return, with dividend, was 36% in 2016.

PZA COMPARED TO S&P/TSX



CELEBRATING OUR 50TH ANNIVERSARY

THE PRIVATE OPERATING COMPANY
PAYS A MONTHLY ROYALTY FOR USE OF
THE TRADEMARKS.

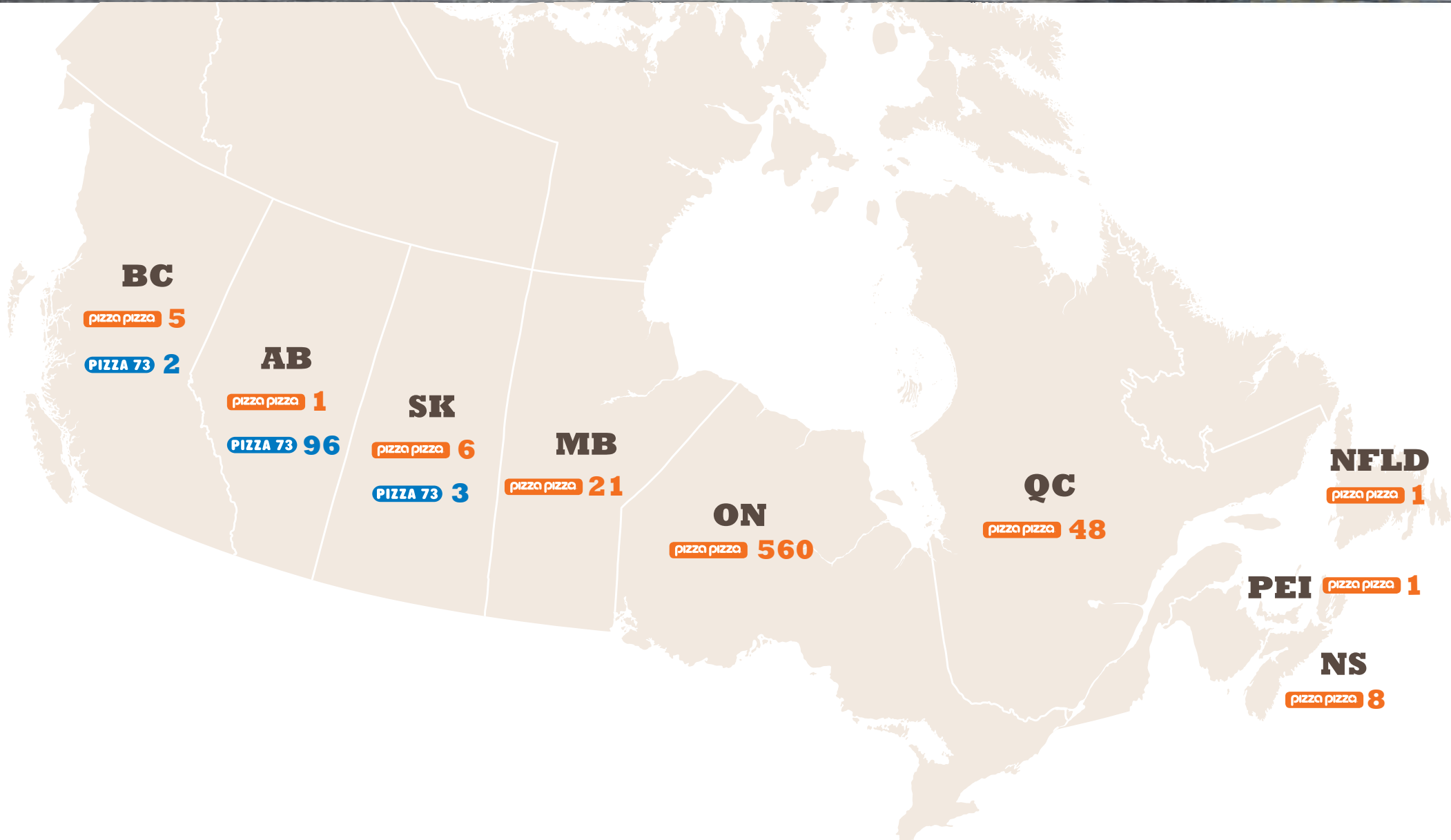


CORE BUSINESS FUNDAMENTALS

- Canada's #1 pizzeria
- Seasoned management
- Strong & proven business model
- Powerful brands
- Geographic diversification
- Modernized restaurant chain
- Innovation leader since 1967



CANADA'S #1 PIZZERIA



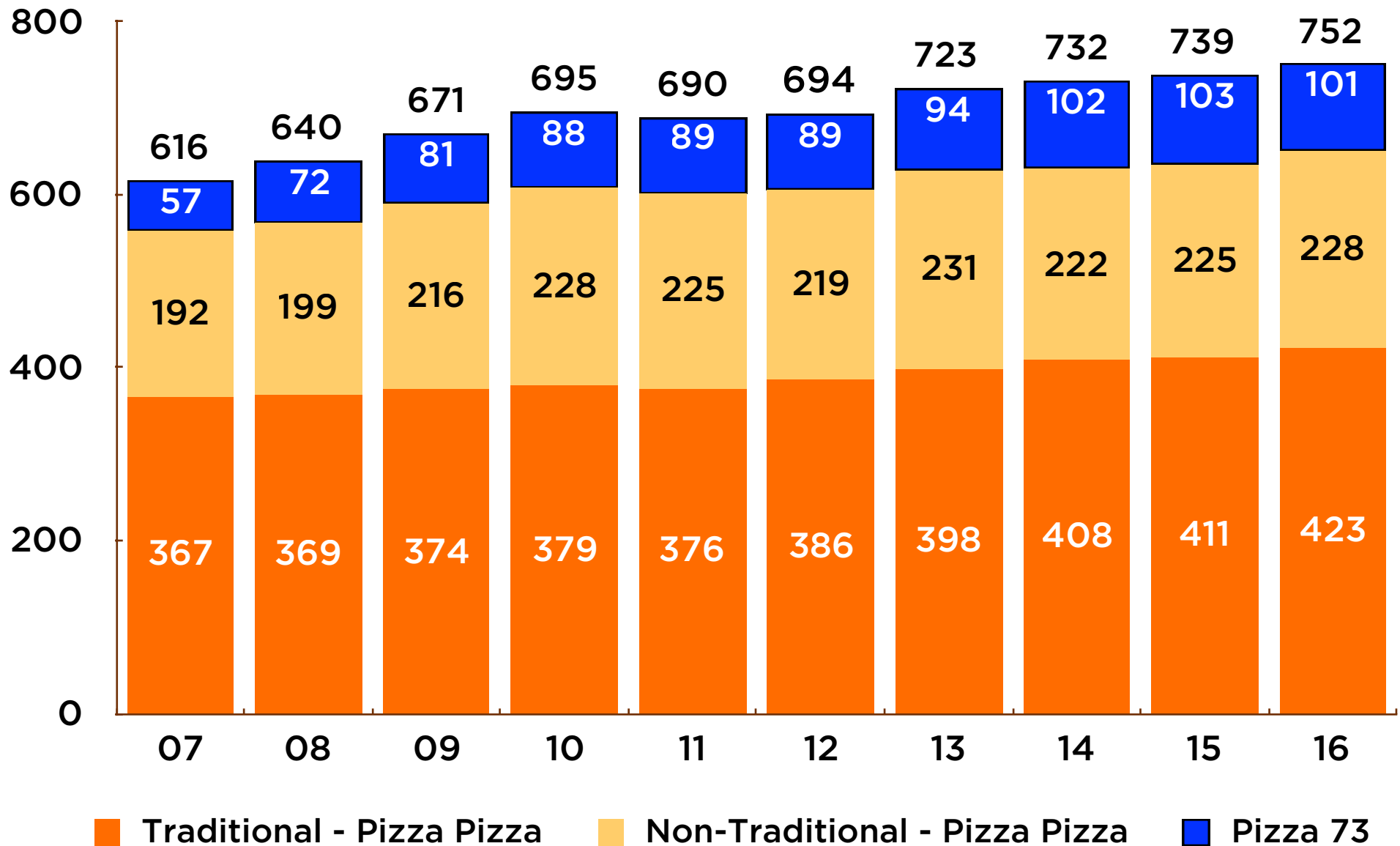
Building a national presence outside our core Alberta and Ontario markets.

PIZZA 73

**DOMINATING
THE ALBERTA
PIZZA MARKET**



RESTAURANT GROWTH



NON-TRADITIONAL PARTNERSHIPS



Sponsorships



Non-Traditional Locations



Special Events



Partnering with major sports arenas, entertainment venues and special community events provide marketing and business opportunities.



PRODUCT INNOVATION

NEW PRODUCT LAUNCHES ARE
KEY TO SALES BUILDING.



TECHNOLOGICAL INNOVATION

PARTNERING INNOVATION WITH CONVENIENCE LEADS TO SALES GROWTH.



POWERFUL BRANDS & MARKETING



MOVIE NIGHT

Free

2 FOR 1

CINEPLEX
See the Big Picture™

MOVIE ADMISSION PASS WITH EVERY ONLINE OR MOBILE APP ORDER \$13.99 OR MORE!

pizza pizza.ca



Free
2 FOR 1

MOVIE ADMISSION PASS WITH EVERY ONLINE ORDER AT PIZZAPIZZA.CA OR MOBILE APP ORDER \$13.99 OR MORE!

FAST, EASY & CONVENIENT ORDERING WITH OUR IPHONE, IPAD, APPLE WATCH, ANDROID AND MOBILE WEB APPS!



FAN FAVOURITE!

LARGE PIZZA
+3 TOPPINGS
+3 FREE COKE

\$13.99
UPSIZE TO X-LARGE \$3.99

440-720 CALS./SERVING, SERVES 5



SCORE SAVINGS!

2 MEDIUM PIZZAS
+4 TOPPINGS (COMBINED)
+6 FREE COKE
+2 FREE DIPS

\$19.49
UPSIZE TO LARGE \$5

370-680 CALS./SERVING, SERVES 8



WING IT BOX!

10 PCS. WINGS
+10 CHICKEN BITES
+2 FREE DIPS
+YOUR CHOICE OF 2 ITEMS:

\$23.99

8 CRUNCHY DILL PICKLES OR 8 JALAPENO POPPERS OR FRIES OR ONION RINGS OR POTATO WEDGES
650-820 CALS./SERVING, SERVES 4



MEGA MUNCH!

LARGE PIZZA
+3 TOPPINGS
+10 PCS. CHICKEN WINGS
+4 FREE COKE
+2 FREE DIPS

\$24.49
UPSIZE TO X-LARGE \$3.99

650-1150 CALS./SERVING, SERVES 5





HOT & CRISP!
PIZZA
PIZZA

SOCIAL RESPONSIBILITY



Our fundraising events have raised over \$3,000,000 for various charities including the Children's Miracle Network.

CURT FELTNER

Pizza Pizza Limited
Chief Financial Officer





SHAREHOLDER INFORMATION

PPRC, A HIGH-YIELD DIVIDEND
CORPORATION.



- TSX exchange listing **PZA**
- Publicly-traded shares outstanding **24,618,392**
- Fully Diluted shares **31,213,495**
- Pizza Pizza Limited's ownership **21.1%**
- Market capitalization **\$540 million**
- Current monthly dividend **\$0.0713**
- Credit facility matures Apr 2020 **\$47M**

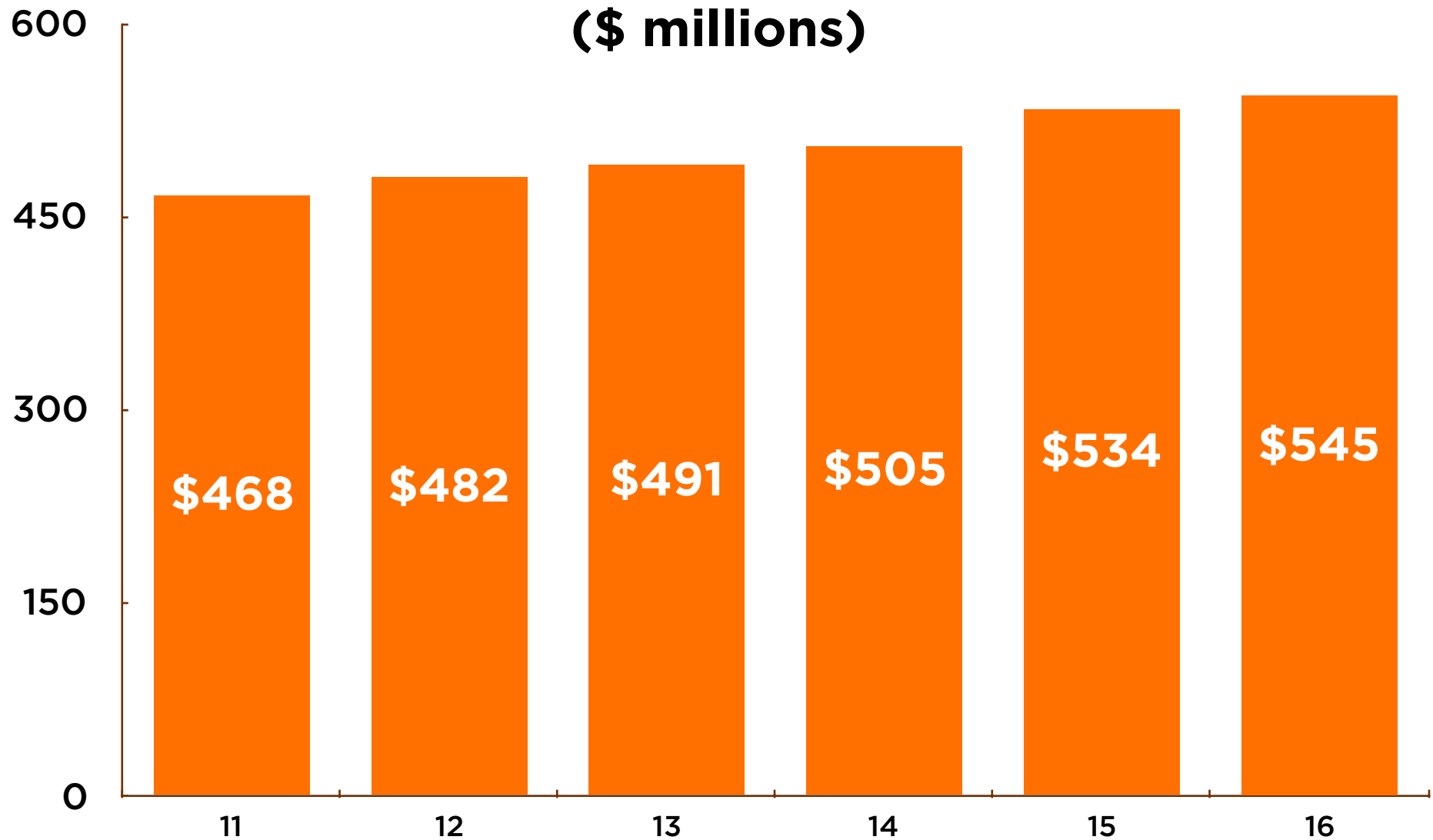
2016 PERFORMANCE HIGHLIGHTS

SSSG IS THE KEY DRIVER OF
SHAREHOLDER YIELD.



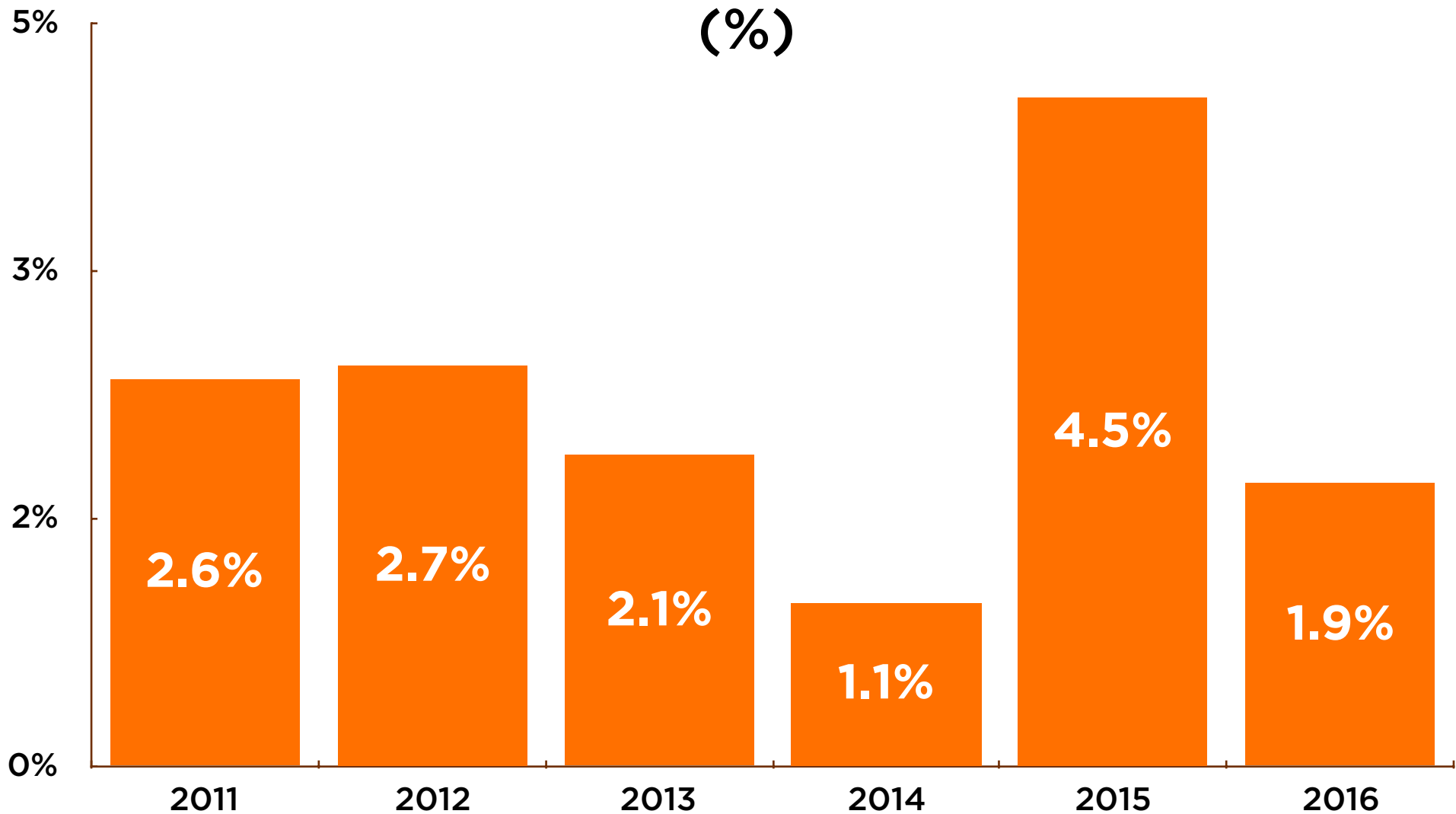
- Royalty Pool System Sales **\$545 M**
- SSSG **1.9%**
- Royalty Revenues **\$35.3 M**
- Adjusted earnings per share **\$0.895**
- Dividend increased in June 2016
- **\$5.2 million** working capital reserve
- Dividends per share **\$0.8476**
- Pay-out ratio **99%**

ROYALTY POOL SYSTEM SALES



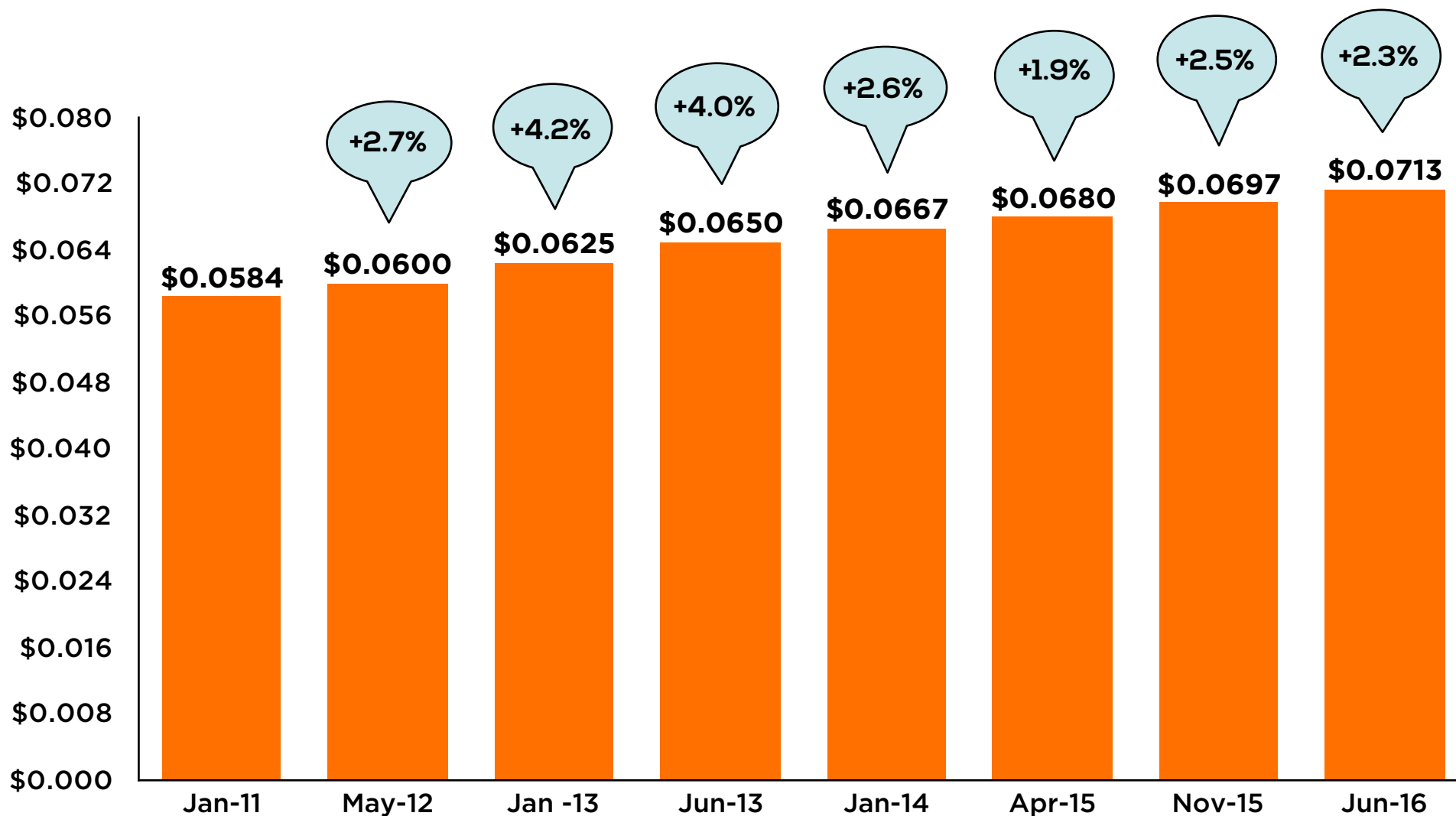
Royalty revenues are based on top-line Royalty Pool System Sales.

SAME STORE SALES GROWTH



SSSG is the key driver of shareholder yield growth.

MONTHLY DIVIDEND GROWTH



PPRC increased dividends seven times in five years.

Q1 '17 PERFORMANCE HIGHLIGHTS

- Royalty Pool System Sales **\$134 M**
- SSS decreased **0.7%**
- Adjusted earnings per share **\$0.219**
- Dividend per share **\$0.2139**
- Pay-out ratio = **103%**
- Royalty Pool = **751 restaurants**
- **\$5.0 million** working capital reserve





ADVANTAGES OF PZA

- Royalty Structure
- High-yield Dividend Corp
- Sales Growth History
- Exceptional Brand Recognition
- Stable Quick Service Industry
- Strong cash position



