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Domino's Pizza Enterprises Limited
1/485 Kingsford Smith Drive
Hamilton, QLD, Australia 4007
ACN: 010 489 326
www.dominos.com.au

17 February 2021

The Manager

Market Announcements Office

Australian Securities Exchange

4th Floor, 20 Bridge Street

SYDNEY NSW 2000

Dear Sir

Appendix 4D and financial statements for the half-year ended 27 December 2020

Please find attached for immediate release to the market the following documents in respect of the half-year ended 27 December 2020:

(a) Appendix 4D
(b) 2021 half-year financial statements

For further information, contact Nathan Scholz, Head of Investor Relations at investor.relations@dominos.com.au or on +61-419-243-517.

Authorised for lodgement by the Board.

Craig Ryan

Company Secretary

END

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DOMINO'S PIZZA ENTERPRISES LIMITED

ACN 010 489 326

Half-year Financial Report
for the half-year ended 27 December 2020

This half-year report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.2A.3

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APPENDIX 4D

DOMINO'S PIZZA ENTERPRISES LIMITED

Current reporting period:	Half-year ended 27 December 2020
Previous reporting period:	Half-year ended 29 December 2019

SECTION A: RESULTS FOR ANNOUNCEMENT TO THE MARKET

		Percentage change %		Amount $'million
Revenue and net profit				
Revenue from ordinary activities	Up	20.9%	to	1,095.1
Profit from ordinary activities after tax from continuing operations	Up	41.1%	to	100.2
Profit from ordinary activities after tax attributable to members	Up	37.9%	to	95.4
Net profit attributable to members	Up	37.9%	to	95.4

Dividends

	Amount per security (cents)	Franked percentage per security
Final dividend in respect of full year ended 28 June 2020 paid 10 September 2020	52.6	100%
Interim dividend payable in respect of half-year ended 27 December 2020	88.4	50%

Record date for determining entitlements to the dividend: 24 February 2021

	27 December 2020 $	28 June 2020 $
Net tangible assets per security		
Net tangible assets per security	(5.33)	(5.63)

SECTION B: COMMENTARY ON RESULTS

For comments on trading performance during the half-year, refer to the media release.

The interim dividend franked at 50%, of 88.4 cents per share was approved by the Board of directors on 16 February 2021. In complying with accounting standards, as the dividend was not approved prior to period end, no provision has been taken up for this dividend in the half-year financial report.

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DIRECTORS' REPORT

The directors of Domino's Pizza Enterprises Limited (the Company or DPE) submit herewith the condensed financial report for the consolidated entity (the Company and its controlled entities) for the half-year ended 27 December 2020. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

The following persons held office as directors of Domino's Pizza Enterprises Limited during the half-year:

Jack Cowin
Ross Adler
Grant Bourke
Lynda O'Grady
Ursula Schreiber
Doreen Huber
Don Meij

REVIEW OF OPERATIONS

The following are the key operational highlights for the half-year.

EXPLANATION OF STATUTORY PROFIT TO UNDERLYING PROFIT

Statutory Profit after tax is prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards, which comply with International Financial Reporting Standards (IFRS).

Statutory Profit after tax of $100.2 million includes a loss of $0.7 million after tax treated as significant items. Excluding these items, the Underlying Profit after tax was $100.9 million, 34.6% up on the prior corresponding period.

Underlying Profit after tax is reported to give information to shareholders that provides a greater understanding of the performance of the Company's operations. DPE believes Underlying Profit after tax is useful as it removes significant items thereby facilitating a more representative comparison of financial performance between financial periods. Underlying Profit is a non-IFRS measure which is not subject to audit or review.

The below provides a reconciliation of Statutory Profit to Underlying Profit including earnings before interest, and tax (EBIT) and earnings before interest, tax, depreciation, and amortisation (EBITDA):

	Half-year ended 27 December 2020						
	Statutory $'000	Significant Items $'000	Underlying $'000	ANZ $'000	Europe $'000	Japan $'000	Unallocated $'000
Revenue	**1,095,111**	**-**	**1,095,111**	**382,982**	**324,840**	**387,289**	**-**
EBITDA	**217,661**	**(1,015)**	**218,676**	**82,535**	**63,947**	**82,372**	**(10,178)**
Depreciation and amortisation	**(65,639)**	**-**	**(65,639)**	**(18,789)**	**(19,505)**	**(26,885)**	**(460)**
EBIT	**152,022**	**(1,015)**	**153,037**	**63,746**	**44,442**	**55,487**	**(10,638)**
Net finance costs	**(7,188)**	**-**	**(7,188)**				
Net profit before tax	**144,834**	**(1,015)**	**145,849**				
Income tax expense	**(44,666)**	**305**	**(44,971)**				
Net profit after tax	**100,168**	**(710)**	**100,878**				
Profit is attributed to:							
Owners of the parent	**95,448**	**(710)**	**96,158**				
Non-controlling interests	**4,720**	**-**	**4,720**				

REVIEW OF OPERATIONS (CONTINUED)

EXPLANATION OF STATUTORY PROFIT TO UNDERLYING PROFIT (CONTINUED)

	Half-year ended 29 December 2019						
	Statutory $'000	Significant Items $'000	Underlying $'000	ANZ $'000	Europe $'000	Japan $'000	Unallocated $'000
Revenue	905,753	-	905,753	343,103	280,979	281,671	-
EBITDA	171,007	(5,677)	176,684	76,827	53,248	53,193	(6,584)
Depreciation and amortisation	(61,049)	-	(61,049)	(18,768)	(15,951)	(26,330)	-
EBIT	109,958	(5,677)	115,635	58,059	37,297	26,863	(6,584)
Net finance costs	(7,344)	-	(7,344)				
Net profit before tax	102,614	(5,677)	108,291				
Income tax expense	(31,627)	1,720	(33,347)				
Net profit after tax	70,987	(3,957)	74,944				
Profit is attributed to:							
Owners of the parent	69,219	(3,177)	72,396				
Non-controlling interests	1,768	(780)	2,548				

SIGNIFICANT ITEMS

Significant items in the current and comparative periods include external legal costs that relate to discrete matters and costs relating to structural changes in the business.

Statutory Profit after tax was $100.2 million this included the following significant costs excluded from Underlying Profit after tax as outlined below:

CURRENT PERIOD

ANZ

- External legal costs of $0.7 million pertaining to the Fast Food Industry Award class action.

PRIOR CORRESPONDING PERIOD

ANZ

- External legal costs of $0.8 million pertaining to the Fast Food Industry Award class action.

EUROPE

- Conversion and integration costs of $2.3 million relating to the acquisition of Hallo Pizza in Germany.
- Integration and establishment costs of $0.6 million relating to Denmark.
- Conversion and integration costs relating to the acquisition of Pizza Sprint and legal dispute and resolution costs of $0.3 million.

Underlying Profit after tax was $100.9 million, up 34.6% from the prior period. A description of the contributing factors is disclosed below.

CONSOLIDATED ENTITY

The Group's revenue was $1,095.1 million compared with $905.8 million in the first half of 2019/20. The revenue growth was driven by Same Store Sales (SSS) growth of 8.5% and continued new store openings of 131 for the period.

The effective underlying tax rate (underlying tax expense divided by underlying profit before tax) is 30.8%, compared to 30.8% for the first half of 2019/20. A partially franked at 50% dividend of 88.4 cents per share will be paid on 11 March 2021.

Cash from operating activities is $162.3 million for the first half compared to $133.4 million in the first half of 2019/20. This increase is mainly due to strong operating performance in ANZ, Japan and Europe.

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DIRECTORS' REPORT (CONTINUED)

REVIEW OF OPERATIONS (CONTINUED)

CONSOLIDATED ENTITY (CONTINUED)

In the earlier stages of the COVID-19 pandemic, the Company implemented several initiatives that focused on prioritising our team members and customers' safety and growing our market share, including being adaptive to changes in customer purchasing behaviours and investing in 'distressed' media.

Performance in this half primarily reflected the successful execution on the above initiatives, which largely enabled our stores to continue to trade strongly during the COVID-19 pandemic. Our long-term strategy remains unchanged in continued investment in our digital platforms capabilities, delivering high-quality meals to our customers at exceptional value and continued fortressing of local markets by opening more stores closer to customers.

The consolidated entity's overall risk management and governance strategies have not substantially changed since the last full year annual report.

AUSTRALIA/NEW ZEALAND OPERATIONS

Revenue increased by $39.9 million for the period compared with the first half of 2019/20. The revenue growth was driven by positive SSS for the period and 13 new store openings. ANZ's Underlying EBIT increased $5.7 million, reflecting the growth in revenues and the ongoing improvement in the quality of the franchisee network.

EUROPE OPERATIONS

Europe's revenue increased by $43.9 million, which was driven by both strong SSS growth and 50 new stores additions for the period. Europe Underlying EBIT increased by $7.1 million due to growth in network sales and stores openings across all countries, including significant expansion in Germany. Delivery order growth has been very strong, partly offset by a reduction in carry-out orders as a result of COVID-19 restrictions.

JAPAN OPERATIONS

Japan Underlying EBIT and revenue increased by $28.6 million and $105.6 million respectively, compared with the first half of 2019/20. Japan's results benefited from strong SSS growth, 68 new store openings and improvement in EBIT margins. The result for the half reflected the successful implementation of our adopted strategies including, fortressing metropolitan areas and new menu and pricing initiatives to increase customer frequency and ultimately grow network sales.

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AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on page 6 of the half-year condensed consolidated financial report.

ROUNDING OFF OF AMOUNTS

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the half-year condensed consolidated financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the directors

Jack Cowin
Non-Executive Chairman
16 February 2021

Don Meij
Managing Director/ Group Chief Executive Officer
16 February 2021

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF DOMINO'S PIZZA ENTERPRISES LIMITED

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Deloitte.

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16 February 2021

The Directors
Domino's Pizza Enterprises Limited
Level 1, KSD1
485 Kingsford Smith Drive
HAMILTON QLD 4007

Dear Directors

Auditor's Independence Declaration to Domino's Pizza Enterprises Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Domino's Pizza Enterprises Limited.

As lead audit partner for the review of the consolidated half year financial report of Domino's Pizza Enterprises Limited for the half year ended 27 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the audit review.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Matthew Donaldson
Partner
Chartered Accountants

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Independent Auditor's Review Report to the Members of Domino's Pizza Enterprises Limited

Conclusion

We have reviewed the half-year financial report of Domino's Pizza Enterprises Limited, (the "Entity"), which comprises the condensed consolidated statement of financial position as at 27 December 2020, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 9 to 23.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Entity is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Entity's financial position as at 27 December 2020 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Entity, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Entity's financial position as at 27 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Matthew Donaldson
Partner
Chartered Accountants
Brisbane, 16 February 2021

DIRECTORS' DECLARATION

The directors declare that:

1. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the directors

Don Meij

Managing Director/ Group Chief Executive Officer

16 February 2021

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 27 DECEMBER 2020

	Note	27 December 2020 $'000	29 December 2019 $'000
Continuing operations			
Revenue	3	**1,095,111**	905,753
Other gains and losses		**12,930**	11,285
Finance income		**2,392**	2,383
Food, equipment and packaging expenses		**(455,448)**	(361,878)
Employee benefits expense		**(195,682)**	(170,191)
Plant and equipment costs		**(11,511)**	(11,052)
Depreciation and amortisation expense		**(65,639)**	(61,049)
Occupancy expenses		**(2,631)**	(2,637)
Finance costs		**(9,580)**	(9,727)
Marketing expenses		**(105,497)**	(88,596)
Royalties expense		**(45,018)**	(38,144)
Store related expenses		**(14,707)**	(13,551)
Communication expenses		**(17,017)**	(12,622)
Integration, conversion and legal costs		**(1,015)**	(5,677)
Other expenses		**(41,854)**	(41,683)
Profit before tax		**144,834**	102,614
Income tax expense		**(44,666)**	(31,627)
Profit for the period from continuing operations		**100,168**	70,987
Other comprehensive income			
Item that may be reclassified to profit or loss			
Gain/(loss) on net investment hedge taken to equity		**1,798**	1,998
Exchange differences arising on translation of foreign operations		**(20,754)**	(5,630)
Gain/(loss) on cash flow hedges taken to equity		**(615)**	1,942
Income tax relating to components of other comprehensive income		**(321)**	(1,221)
Other comprehensive (loss)/income for the period, net of tax		**(19,892)**	(2,911)
Total comprehensive income for the period		**80,276**	68,076
Profit is attributable to:			
Owners of Domino's Pizza Enterprises Limited		**95,448**	69,219
Non-controlling interests		**4,720**	1,768
Total profit for the period		**100,168**	70,987
Total comprehensive income for the period is attributable to:			
Owners of the parent		**76,172**	66,860
Non-controlling interests		**4,104**	1,216
Total comprehensive income for the period		**80,276**	68,076
		Cents	Cents
Earnings per share from continuing operations			
Basic (cents per share)		**110.4**	80.6
Diluted (cents per share)		**110.2**	80.6

The above Statement should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 27 DECEMBER 2020

	Note	27 December 2020 $'000	28 June 2020 $'000
Assets			
Current assets			
Cash and cash equivalents		**177,342**	245,678
Trade and other receivables		**177,793**	146,462
Other financial assets		**10,010**	14,404
Inventories		**40,229**	27,912
Current tax assets		**68**	774
Other assets		**33,800**	38,612
Investment in lease assets		**54,544**	48,557
Total current assets		**493,786**	522,399
Non-current assets			
Other financial assets		**85,371**	75,582
Investment in joint venture		**1,611**	2,201
Property, plant and equipment		**269,606**	272,837
Deferred tax assets		**155**	6,005
Goodwill	5	**475,286**	492,549
Intangible assets		**393,254**	386,705
Right of use assets		**367,303**	378,993
Investment in lease assets		**347,369**	333,834
Total non-current assets		**1,939,955**	1,948,706
Total assets		**2,433,741**	2,471,105
Liabilities			
Current liabilities			
Trade and other payables		**346,149**	323,618
Contract liabilities		**3,091**	2,985
Lease liabilities		**110,831**	105,203
Borrowings	6	**16,098**	50,195
Other financial liabilities		**26,087**	21,650
Current tax liabilities		**27,528**	19,121
Provisions		**14,164**	12,887
Total current liabilities		**543,948**	535,659
Non-current liabilities			
Contract liabilities		**16,433**	14,787
Lease liabilities		**665,356**	663,049
Borrowings	6	**546,108**	657,241
Other financial liabilities		**182,217**	131,486
Deferred tax liabilities		**62,980**	65,022
Provisions		**9,548**	10,488
Total non-current liabilities		**1,482,642**	1,542,073
Total liabilities		**2,026,590**	2,077,732
Net assets		**407,151**	393,373
Equity			
Issued capital	7	**259,500**	235,420
Reserves		**(130,268)**	(70,016)
Retained earnings		**277,919**	227,969
Total equity		**407,151**	393,373

The above Statement should be read in conjunction with the accompanying notes.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 27 DECEMBER 2020

	Issued Capital $'000	Hedging reserve $'000	Foreign currency translation reserve $'000	Other reserve $'000	Retained Earnings $'000	Non-controlling interests $'000	Total $'000
Balance at 01 July 2019	206,218	(6,714)	42,861	(93,418)	197,060	-	346,007
Changes in accounting policies	-	-	-	-	(4,768)	(18)	(4,786)
Restated equity at 02 July 2019	206,218	(6,714)	42,861	(93,418)	192,292	(18)	341,221
Profit for the period	-	-	-	-	69,219	1,768	70,987
Other comprehensive income	-	2,719	(5,078)	-	-	(552)	(2,911)
Total comprehensive income	-	2,719	(5,078)	-	69,219	1,216	68,076
Non-controlling interests	-	-	-	-	-	828	828
Issue of employee share options	29,202	-	-	-	-	-	29,202
Share options trust	-	-	-	889	-	-	889
Non-controlling interest put option	-	-	-	12,511	-	(2,026)	10,485
Recognition of share-based payments	-	-	-	(3,910)	-	-	(3,910)
Payment of dividends	-	-	-	-	(45,285)	-	(45,285)
Balance at 29 December 2019	235,420	(3,995)	37,783	(83,928)	216,226	-	401,506
Balance at 29 June 2020	**235,420**	**(6,224)**	**49,740**	**(113,532)**	**227,969**	**-**	**393,373**
Profit for the period	**-**	-	-	**-**	**95,448**	**4,720**	**100,168**
Other comprehensive income	**-**	**862**	**(20,138)**	**-**	**-**	**(616)**	**(19,892)**
Total comprehensive income	**-**	**862**	**(20,138)**	**-**	**95,448**	**4,104**	**80,276**
Non-controlling interests	**-**	-	-	-	-	**4,277**	**4,277**
Share options trust	**-**	-	-	**1,399**	-	-	**1,399**
Issue of employee share options	**24,080**	-	-	-	-	-	**24,080**
Non-controlling interest put option	**-**	-	-	**(40,933)**	-	**(8,381)**	**(49,314)**
Payment of dividends	**-**	-	-	-	**(45,498)**	-	**(45,498)**
Recognition of share-based payments	**-**	-	-	**(1,442)**	-	-	**(1,442)**
Balance at 27 December 2020	**259,500**	**(5,362)**	**29,602**	**(154,508)**	**277,919**	**-**	**407,151**

The above Statement should be read in conjunction with the accompanying notes.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 27 DECEMBER 2020

	Note	27 December 2020 $'000	29 December 2019 $'000
Cash flows from operating activities			
Receipts from customers		**1,178,580**	947,052
Payments to suppliers and employees		**(986,238)**	(770,970)
Interest received		**4,677**	4,612
Interest and other finance costs		**(9,052)**	(9,187)
Income taxes paid		**(25,660)**	(38,126)
Net cash generated from operating activities	8	**162,307**	133,381
Cash flows from investing activities			
Proceeds from franchisee loans		**21,077**	22,027
Payments for intangible assets		**(14,477)**	(17,712)
Payments for property, plant and equipment		**(44,906)**	(47,244)
Proceeds from sale of non-current assets		**10,394**	6,644
Acquisition of stores net of cash		**(9,490)**	(12,937)
Acquisition of subsidiaries		**(1,001)**	(1,500)
Net cash inflow/(outflow) on investment in joint ventures		**483**	75
Net cash used in investing activities		**(37,920)**	(50,647)
Cash flows from financing activities			
Proceeds from issues of equity securities		**20,923**	24,744
Contributions from non-controlling interests		**-**	1,419
Proceeds from borrowings		**62,000**	94,028
Repayment of borrowings		**(192,799)**	(102,876)
Payments for establishment of borrowings		**(170)**	(20)
Lease principal payments		**(55,178)**	(50,033)
Receipts from subleases		**25,610**	21,990
Dividends paid		**(45,498)**	(45,285)
Net cash used from financing activities		**(185,112)**	(56,033)
Net (decrease)/increase in cash and cash equivalents		**(60,725)**	26,701
Cash and cash equivalents at the beginning of the period		**245,678**	101,404
Effects of exchange rate changes on the balance of cash held in foreign currencies		**(7,611)**	(1,236)
Cash and cash equivalents at the end of the period		**177,342**	126,869

The above Statement should be read with in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

Domino's Pizza Enterprises Limited ("the Company") is a Company domiciled in Australia. The financial report for the half-year ended 27 December 2020 comprises the condensed consolidated financial statements of the Company and its controlled entities (together referred to as the "consolidated entity" or "Group"). The annual financial report of the consolidated entity as at and for the year ended 28 June 2020 is available on request from the Company's registered office at Level 1, KSD1 485 Kingsford Smith Drive, Hamilton Qld 4007 or at www.dominos.com.au.

STATEMENT OF COMPLIANCE

The half-year financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the annual financial report of the consolidated entity for the financial year ended 28 June 2020 and public announcements made by the Company.

BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The Company is a Company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the half-year condensed consolidated financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 2020 annual financial report for the financial year ended 28 June 2020, except for the impact of the Standards and Interpretations described below and any new accounting policies adopted by the consolidated entity during the period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

BASIS OF GOING CONCERN

The financial statements have been prepared on the basis that the Group will continue as a going concern. The Group has a net current liability position of $50.2 million at 27 December 2020 (28 June 2020: net current liability position $13.3 million) which is due to the recognition of current lease liabilities, relating to AASB 16 *Leases*.

As at 27 December 2020 the Group had unrestricted cash and cash equivalents of $177.3m and generated cash flows, excluding the net repayment of borrowings, of $70.1 million (2019/20: $35.5m). The Group's capital structures is sustainable with sufficient liquidity, including undrawn committed borrowings of $228.5 million. The Directors have concluded that there are reasonable grounds to believe that the going concern basis is appropriate, and that assets are likely to be realised, and liabilities are likely to be discharged, at the amounts recognised in the financial statements in the ordinary course of business.

APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 28 June 2020, except for the adoption of new standards effective as of 29 June 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

AASB 2018-6 Amendments to AASs - Definition of a Business

The amendments to AASB 3 Business Combinations helps entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an option fair value concentration test.

The amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

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2 SEGMENT INFORMATION

The consolidated entity has identified its operating segments on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the consolidated entity's Chief Executive Officer for the purpose of resource allocation and assessment of performance is specifically focused on the geographical location the consolidated entity operates in. The consolidated entity's reportable segments under AASB 8 are therefore as follows:

- Australia/New Zealand ("ANZ")
- Europe
- Japan

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the consolidated entity's accounting policies. The following is an analysis of the revenue and results by reportable operating segment for the periods under review:

	Half-year ended 27 December 2020				
	ANZ $'000	Europe $'000	Japan $'000	Unallocated[1] $'000	Total $'000
Continuing operations					
Revenue	382,982	324,840	387,289	-	1,095,111
EBITDA	81,520	63,947	82,372	(10,178)	217,661
Depreciation & amortisation	(18,789)	(19,505)	(26,885)	(460)	(65,639)
EBIT	62,731	44,442	55,487	(10,638)	152,022
Net finance costs					(7,188)
Net profit before tax					144,834

	Half-year ended 29 December 2019				
	ANZ $'000	Europe $'000	Japan $'000	Unallocated[1] $'000	Total $'000
Continuing operations					
Revenue	343,103	280,979	281,671	-	905,753
EBITDA	75,744	48,654	53,193	(6,584)	171,007
Depreciation & amortisation	(18,768)	(15,951)	(26,330)	-	(61,049)
EBIT	56,976	32,703	26,863	(6,584)	109,958
Net finance costs					(7,344)
Net profit before tax					102,614

[1] The Unallocated segment represents corporate costs associated with the management and oversight of global functions which are shared by all the jurisdictions in which the Group operates.

The revenue reported above represents revenue generated from external customers and franchisees. There were no inter-segment sales during the period.

Segment net profit before tax represents the profit earned by each segment using the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

2 SEGMENT INFORMATION (CONTINUED)

The following is an analysis of the consolidated entity's assets by reportable operating segment:

	27 December 2020 $'000	28 June 2020 $'000
Continuing operations		
ANZ	**632,089**	653,292
Europe	**856,669**	879,657
Japan	**942,980**	938,156
Total segment assets	**2,431,738**	2,471,105
Unallocated assets	**2,003**	-
Total assets	**2,433,741**	2,471,105

The following is an analysis of the consolidated entity's liabilities by reportable operating segment:

	27 December 2020 $'000	28 June 2020 $'000
Continuing operations		
ANZ	**(853,060)**	(870,281)
Europe	**(579,350)**	(561,831)
Japan	**(592,056)**	(645,620)
Total segment liabilities	**(2,024,466)**	(2,077,732)
Unallocated liabilities	**(2,124)**	-
Total liabilities	**(2,026,590)**	(2,077,732)

3 REVENUE

Revenue is recognised when performance obligations under the relevant customer contracts are completed. Performance obligations may be completed at a point in time or over time.

In the following table, revenue is disaggregated by type and timing of revenue recognition. No single customer amounts to 10% or more of the Group's total external revenue.

The below table provides the timing of revenue recognition:

	Half-year ended 27 December 2020			
	ANZ $'000	Europe $'000	Japan $'000	Total $'000
Revenue type				
Revenue from the sale of goods	273,538	233,281	343,205	850,024
Revenue from rendering of services[1]	108,078	91,438	43,286	242,802
Interest revenue	1,366	121	798	2,285
Total	382,982	324,840	387,289	1,095,111
Timing of revenue recognition				
At a point in time	287,337	239,582	345,740	872,659
Over time	95,645	85,258	41,549	222,452
Total	382,982	324,840	387,289	1,095,111

[1]Revenue for the rendering of services relates to franchise royalties, franchise service fees and supplier fees.

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3 REVENUE (CONTINUED)

	Half-year ended 29 December 2019			
	ANZ $'000	Europe $'000	Japan $'000	Total $'000
Revenue type				
Revenue from the sale of goods	232,220	198,757	254,166	685,143
Revenue from rendering of services[1]	109,398	82,038	26,945	218,381
Interest revenue	1,485	184	560	2,229
Total	343,103	280,979	281,671	905,753
Timing of revenue recognition				
At a point in time	252,634	203,964	257,373	713,971
Over time	90,469	77,015	24,298	191,782
Total	343,103	280,979	281,671	905,753

[1]Revenue for the rendering of services relates to franchise royalties, franchise service fees and supplier fees.

4 DIVIDENDS

	27 December 2020 $'000	29 December 2019 $'000
Recognised amounts		
Fully franked dividend for full year ended 28 June 2020: 52.6 cents (30 June 2019: fully franked 52.8 cents)	**45,498**	45,285
Unrecognised amounts		
Interim partially franked at 50% dividend for the half-year ended 27 December 2020: 88.4 cents (29 December 2019: fully franked 66.7 cents)	**76,486**	57,521

On 16 February 2021, the directors declared a partially franked at 50 % interim dividend of 88.4 cents per share to the holders of fully paid ordinary shares in respect of the financial year ending 27 June 2021, to be paid to shareholders on 11 March 2021. The dividend will be paid to all shareholders on the Register of Members on 24 February 2021. The total estimated dividend to be paid is $76.5 million.

5 GOODWILL

	27 December 2020 $'000	28 June 2020 $'000
Gross carrying amount		
Cost	**475,286**	492,549
Accumulated amortisation and impairment	**-**	-
Net carrying amount	**475,286**	492,549
Movement		
Net carrying amount at the beginning of the year	**492,549**	475,005
Acquisitions of Domino's Pizza stores and other businesses	**6,944**	14,847
Disposals and write-offs	**(5,571)**	(4,304)
Other including foreign exchange movement	**(18,636)**	7,001
Net carrying amount at the end of the period	**475,286**	492,549

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6 BORROWINGS

	27 December 2020 $'000	28 June 2020 $'000
Loans from other entities		
Loans from other entities[1]	**30,184**	35,978
Total loans from other entities	**30,184**	35,978
Uncommitted		
Bank loans	**16,098**	50,195
Total uncommitted borrowings	**16,098**	50,195
Committed		
Bank loans	**515,924**	621,263
Total committed borrowings	**515,924**	621,263
Current	**16,098**	50,195
Non-current	**546,108**	657,241
Total borrowings	**562,206**	707,436

[1] Relates to loans from Domino's Pizza Group plc relating to the German joint venture.

7 ISSUED CAPITAL

	27 December 2020 $'000	28 June 2020 $'000
86,523,365 fully paid ordinary shares (28 June 2020: 86,238,290)	**259,500**	235,420

	27 December 2020		28 June 2020	
	Number of shares '000	Share capital $'000	Number of shares '000	Share capital $'000
Fully paid ordinary shares				
Balance at beginning of financial period	**86,238**	**235,420**	85,634	206,218
Shares issued:				
Issue of shares under executive share option plan	**285**	**24,080**	604	29,202
Balance at the end of the period	**86,523**	**259,500**	86,238	235,420

TERMS AND CONDITIONS OF THE ESOP

The Company must not issue any shares or grant any option under this plan if, immediately after the issue or grant, the sum of the total number of unissued shares over which options, rights or other options (which remain outstanding) have been granted under this plan and any other consolidated entity employee incentive scheme would exceed 7.5% of the total number of shares on issue on a fully diluted basis at the time of the proposed issue or grant.

Fully diluted basis means the number of shares which would be on issue if all those securities of the Company which are capable of being converted into shares, were converted into shares. If the number of shares into which the securities are capable of being converted cannot be calculated at the relevant time, those shares will be disregarded.

During the half-year ended 27 December 2020, a total of 285,075 options were exercised, increasing share capital by $24.1 million.

8 NOTE TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of profit for the period to net cash flows from operating activities:

	Note	27 December 2020 $'000	29 December 2019 $'000
Profit for the period		**100,168**	70,987
Profit on sale of non-current assets		**(13,247)**	(11,224)
Equity settled share-based payments		**1,714**	548
Depreciation and amortisation		**65,639**	61,049
Share of joint venture entities net (profit)/loss		**(85)**	162
Amortisation of loan establishment costs		**528**	540
Other		**4,209**	(980)
Net cash provided by operating activities before changes in working capital		**158,926**	121,082
Movement in working capital			
(Increase)/decrease in assets:			
Trade and other receivables		**(33,919)**	(52,405)
Inventories		**(13,292)**	(9,683)
Other current assets		**2,294**	416
Increase/(decrease) in liabilities:			
Trade and other payables		**33,195**	80,986
Provisions		**1,023**	517
Current tax assets and liabilities		**9,873**	(13,325)
Deferred tax balances		**4,207**	5,793
Net cash from operating activities		**162,307**	133,381

Included in the movement of other financial assets are non-cash transactions of $27.0 million (31 December 2019: $19.0 million) relating to loans to franchisees.

9 ACQUISITION OF BUSINESSES

During the year the Group acquired a number of Domino's pizza branded stores from former and current franchisees. The below provides a summary of these acquisitions during the year by segment which, have been accounted for on a provisional basis:

	ANZ	Europe	Japan	Total
Number of stores acquired	15	3	2	20

	ANZ $'000	Europe $'000	Japan $'000	Total $'000
Fair value on acquisition				
Inventories	114	-	-	114
Property, plant & equipment	1,838	290	293	2,421
Intangible assets	-	11	-	11
Total identifiable assets	1,952	301	293	2,546
Cash consideration	8,299	898	293	9,490
Less fair value of net identifiable assets	(1,952)	(301)	(293)	(2,546)
Goodwill	6,347	597	-	6,944

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10 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	27 December 2020 $'000	28 June 2020 $'000
Guarantees - Franchisee Loans and Leases	12,543	12,374
Total guarantees	**12,543**	12,374

Included above are guarantees provided to third party financial institutions in relation to franchisee loans and leases. This is a contingent liability representing the amounts guaranteed in respect of franchisees that would not, without the guarantee, have been granted the loans. The directors believe that if the guarantees are ever called upon, the Company will be able to recover the amounts paid on disposal of the stores.

Included above are guarantees provided by the Company to third party financial institutions in relation to borrowings of the European subsidiaries.

OTHER

SPEED RABBIT PIZZA

There are various separate French legal proceedings by a competitor, Speed Rabbit Pizza (SRP) against subsidiary, Domino's Pizza France (DPF) (the main claim) and seven SRP franchisees against DPF and the relevant DPF franchisees (the local claims). The allegations are that DPF and its franchisees breached French laws governing payment time limitations and lending, thereby giving DPF and its franchisees an unfair competitive advantage. SRP claimed significant damages for impediment of the development of its franchise network, lost royalty income from SRP franchisees and harm to SRP's image. DPF and its franchisees have denied liability and are vigorously defending the claims.

On 7 July 2014 the Court at first instance handed down its decision in the main claim, as well as in five of the local claims. All of the claims of SRP and the relevant SRP franchisees were dismissed. SRP filed an appeal to these decisions in the Court of Appeal, which dismissed SRP's appeal in the main claim on 25 October 2017 and the appeal of SRP and/or SRP franchisees in five local claims on 12 December 2018. SRP then filed an appeal from the decision in the main claim and in 2 local claims to the Cour de Cassation i.e. France's highest court.

In the main claim, the Cour de Cassation handed down its judgement on 15 January 2020 which found errors of law in the Court of Appeal decision and set aside parts of the Court of Appeal's decision. On 20 December 2020, SRP filed a fresh appeal in the Court of Appeal and on 22 January 2021 provided DPF with a brief of evidence including new claims for compensation of €232 million.

In the two local claims appealed to the Cour de Cassation, judgements were handed down on 7 July 2020 and 30 September 2020 which found errors of law and cancelled the Court of Appeal decisions. The current status of these 2 claims ruled on by the Cour de Cassation is that the first instance decisions in favour of DPF stand and SRP is entitled to file a fresh appeal of those 2 decisions to the Court of Appeal. SRP has not yet filed such appeals.

For the sixth local claim, the Court found in favour of DPF at first instance on 27 September 2016, and SRP filed an appeal from this decision to the Court of Appeal. On 30 January 2018, the Court of Appeal dismissed SRP's appeal. The two SRP franchisees then appealed to the Cour de Cassation which dismissed their appeal on 29 January 2020.

The seventh local claim was heard by the Court at first instance on 15 January 2021 but a decision has not yet been handed down.

DPE denies all claims made and is vigorously defending the proceedings brought against it. DPE is confident of its legal position. Accordingly, no provision has been recognised as at 27 December 2020.

10 CONTINGENT LIABILITIES AND CONTINGENT ASSETS (CONTINUED)

OTHER (CONTINUED)

PIZZA SPRINT

In May 2016, proceedings were brought against Fra-Ma Pizz SAS and Pizza Center France SAS, the Pizza Sprint entities, by a number of former and current franchisees (Relevant Pizza Sprint Franchisees) whom allege a significant imbalance in the rights and obligations by the franchisor (Franchisees' Proceedings). The alleged practices predated the acquisition of Pizza Sprint by the company, accordingly during the re-measurement period the company has adjusted the purchase price accounting to recognise a contingent liability and asset in relation to the above matter. A number of the claims by the Relevant Pizza Sprint Franchisees have been settled on a commercial basis.

The French Ministry for the Economy and Finance (Ministry) also brought proceedings (Ministry Proceedings) involving the same facts against Fra-Ma Pizz SAS, Pizza Center France SAS and Domino's Pizza France SAS (collectively, DPF Companies). The Ministry Proceedings are being defended by the DPF Companies. The Relevant Pizza Sprint Franchisees sought to join the Franchisees' Proceedings to the Ministry Proceedings. The request was rejected by the court on 15 February 2018.

On 24 June 2019 the Franchisees' Proceedings and Ministry Proceedings were heard separately. On 22 October 2019, a decision was made in relation to the Ministry Proceedings which did not result in any fine or financial charges against any of the DPF Companies. The Ministry has appealed the decision and the Relevant Pizza Sprint Franchisees have also filed an appeal in support. The appeal will be heard on 15 September 2021.

Five decisions in the Franchisees' Proceedings were handed down on 3 December 2019 and the remaining decisions were handed down on 31 January 2020. Fra-Ma Pizz SAS and Domino's Pizza France SAS were ordered to pay a total amount of €3 million to certain Relevant Pizza Sprint Franchisees. Various appeals have been filed by the DPF Companies, on the one hand, and separately by some of the Relevant Pizza Sprint Franchisees, on the other, with the Paris Court of Appeal. The need to make the payment in each case has been suspended pending the outcome of the appeals. First pleadings are scheduled for December 2021.

CLASS ACTION

On 24 June 2019, Riley Gall, as the lead applicant, commenced a representative proceeding (class action) against the Company in the Federal Court of Australia on behalf of an alleged group comprising Australian franchisee employees who were employed as delivery drivers or in-store workers between 24 June 2013 and 23 January 2018.

The statement of claim alleges that the Company misled its franchisees who, in reliance on the Company's representations and conduct, paid their delivery drivers and in-store workers in accordance with a number of industrial instruments rather than under the Fast Food Industry Award 2010.

The Company rejects the allegations and has been defending the action vigorously. A defence denying the allegations has been filed and an application to have the statement of claim (or parts thereof) struck out was heard on 9 June 2020. A decision on the strike out application is yet to be handed down. The matter has not been listed for trial

The statement of claim does not quantify any loss by the lead applicant or the alleged group and, to date, the applicant's solicitors have not indicated how many members form part of the alleged group. Accordingly, at this stage of the proceeding it is not possible for the Company to determine with accuracy or reliability any potential obligation or financial impact arising from the alleged damages claimed in the proceeding.

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10 CONTINGENT LIABILITIES AND CONTINGENT ASSETS (CONTINUED)

OTHER (CONTINUED)

GENERAL CONTINGENCIES

As a global business, from time to time DPE is also subject to various claims and litigation from third parties during the ordinary course of its business. The directors of DPE have considered such matters which are or may be subject to claims or litigation at the period ended 27 December 2020 and unless specific provisions have been made are of the opinion that no material contingent liability for such claims of litigation exist. The group had no other material contingent assets or liabilities.

11 SUBSEQUENT EVENTS

DIVIDENDS

On 16 February 2021 the directors of Domino's Pizza Enterprises Limited declared an interim dividend on fully paid ordinary shares in respect of the year ended 27 June 2021. The total amount of dividend is estimated to be $76.5 million, which represents a partially franked at 50% dividend of 88.4 cents per share. The dividend has not been recognised as a liability in the condensed consolidated financial statements for the half-year ended 27 December 2020.

12 FINANCIAL INSTRUMENTS

This note provides information about how the consolidated entity determines fair values of various financial assets and financial liabilities.

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The following table presents the Group's assets and liabilities measured and recognised at fair value at 27 December 2020.

27 December 2020	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Recurring fair value measurements				
Financial liabilities				
Foreign exchange contracts	-	(897)	-	(897)
Interest rate swaps	-	(1,356)	-	(1,356)
Put option over non-controlling interest	-	-	(160,562)	(160,562)
Market access right	-	-	(19,043)	(19,043)
Contingent consideration	-	-	(510)	(510)
Total financial liabilities	-	(2,253)	(180,115)	(182,368)

28 June 2020	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Recurring fair value measurements				
Financial assets				
Foreign exchange contracts	-	54	-	54
Total financial assets	-	54	-	54
Financial liabilities				
Interest rate swaps	-	(1,311)	-	(1,311)
Put option over non-controlling interest	-	-	(112,980)	(112,980)
Market access right	-	-	(24,690)	(24,690)
Contingent consideration	-	-	(633)	(633)
Total financial liabilities	-	(1,311)	(138,303)	(139,614)

There have been no transfers between Level 1 and Level 2.

The only financial liabilities subsequently measured at fair value on Level 3 fair value measurement represent the fair value of the put option and market access right relating to the acquisition of Domino's Pizza Germany as well as contingent consideration relating to previous acquisitions.

The opening balance for the put option liabilities was $113.0 million and has a closing balance of $160.6 million.

No gain or loss for the half-year relating to level 3 liabilities have been recognised in profit or loss.

12 FINANCIAL INSTRUMENTS (CONTINUED)

VALUATION TECHNIQUES USED TO DERIVE LEVEL 2 AND 3 FAIR VALUES

The fair values of the financial assets and financial liabilities included in the level 2 and 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties and long term revenue and profit growth rates.

The level 2 financial instruments have been valued using the discounted cash flow technique. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

Specific valuation techniques used to value level 3 financial instruments include:

PUT OPTION OVER NON-CONTROLLING INTEREST

The valuation technique used is the unlevered price/earnings multiple which requires future earnings to be estimated. The significant unobservable inputs include adjusted unlevered price/earnings multiple and the put option is exercisable 4 years (January 2020) from date of the joint venture agreement (December 2015). The call option is exercisable 6 years (January 2022) from the date of the joint venture agreement. The earnings and margins are based on management's experience and knowledge of the market condition of the industry, with the higher earnings resulting in a higher fair value and the shorter the time period resulting in lower fair value.

MARKET ACCESS RIGHT

The valuation technique used is the income approach. In this approach the discounted cash flows were used to capture the future cost of the asset. The significant unobservable inputs include adjusted unlevered price/earnings multiple. The earnings and margins are based on management's experience and knowledge of the market conditions of the industry, with the higher the earnings the higher the fair value.

CONTINGENT CONSIDERATION IN A BUSINESS COMBINATION

Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the Group arising from the contingent consideration. The significant unobservable inputs include the projected gross margin based on management's experience and knowledge of market and industry conditions. Significant increase (decrease) in the gross profit would result in a higher (lower) fair value of the contingent consideration liability.

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