DPC Dash Ltd

2023 Interim Financial Results Call

Transcript

Tuesday, August 29, 2023 / 7:00 PM HKT.

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PRESENTATION

Operator

Ladies and gentlemen, welcome to DPC Dash Ltd's interim 2023 earnings conference call. (Operator Instructions). There will be a question-and-answer session to follow. Today's conference call will be recorded.

At this time, I would like to turn the call over to Cathy Zhang, IR Director of DPC Dash, who will share the process for today's call and provide some important disclosures. Please go ahead.

Cathy Zhang
Investor Relations Director, DPC Dash Ltd

Thank you, Operator. Hello, everyone, and thank you for joining us on today's call. Again, as a reminder, you are all currently on mute. We will open up the floor during Q&A session after management's prepared remarks. We will try to answer as many questions as time allows.

DPC Dash Ltd announced its unaudited consolidated interim results for the 6 months ended June 30, 2023 financial results earlier today. A press release, as well as the company interim results announcement, is now available on the company's IR website at www.dpcdash.com.

Today, you will hear from Aileen Wang, Executive Director and CEO of DPC Dash; Helen Wu, CFO of DPC Dash; and Michael Xu, Chief Performance Officer, CPO, of DPC Dash. Aileen will go over an overview of DPC Dash and its business highlights from the first half of 2023; Helen will go a bit deeper into company's first half 2023 financial results. The management team will address your questions after their remarks.

Before we get started, I'd like to remind you that our earnings call and investor materials contain forward-looking statements about our business that may be considered as forward-looking statements under applicable securities laws, which are based on various assumptions and other factors that are beyond the Company's control and are subject to risks, future events and uncertainties. You can identify these forward-looking statements because they include terminology such as "may," "will," "expect," "estimate," "believe," "going forward," "plan," "projection," "aim," or other similar expressions. Statements that are not historical facts, including but not limited to statements about the Company's beliefs, plans, and expectations, are forward-looking statements.

In light of these assumptions, risks, and uncertainties, the future facts, events and circumstances described in this call and investor materials may not occur. Accordingly, actual results may differ materially and adversely from those anticipated or implied in the forward-looking statements. All forward-looking statements should be considered in conjunction with the cautionary statements in our earnings release and the risk factors included in our filings with the Hong Kong Stock Exchange. Information concerning those risks is available in the earnings press release issued post-market close today and in our relevant Hong Kong Stock Exchange filing.

Also, this call includes discussions of unaudited financial information and certain non-IFRS financial measures. Please refer to our results announcement and interim report to be published in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, which contain a reconciliation of the non-IFRS measures to IFRS measures.

All information provided in this earnings call is as of the date of this call. The Company, our affiliates, advisors and representatives undertake no obligation to update any forward-looking statements except as required by law.

With that, I will turn the call over to Ms. Aileen Wang, Executive Director and CEO of DPC Dash. Aileen, please go ahead.

Aileen Wang
CEO & Executive Director, DPC Dash Ltd

Thank you for the introduction. Thank you all for taking the time to join us today. My name is Aileen Wang, I'm the Executive Director and CEO of DPC Dash Ltd. Today is the first time we announce financial results as a public company listed on the main board of the Hong Kong Stock Exchange, Ticker 1405.Hong Kong.

I'd like to take this opportunity to thank our board of directors, our franchisor Company, Domino's Pizza, Inc., our shareholders, our team members, and finally, our loyal customers. We would not be where we are today without your support.

DPC Dash Ltd is Domino's Pizza's exclusive master franchisee in mainland China, the Hong Kong Special Administrative Region of China, and the Macau Special Administrative Region of China. Domino's Pizza, Inc., DPC Dash's franchisor, has more than 20,000 stores in over 90 markets globally and is one of the most widely recognized global consumer brands and the world's largest pizza company. As such, we feel we are uniquely positioned in the China pizza market. We believe the China pizza market is an under-served space with huge addressable market potential.

As of June 30, we operate 672 stores in mainland China, and are the third-largest pizza company in China in terms of 2022 revenue, according to Frost & Sullivan. Yet this market position is only built on 672 stores across 20 cities. There are ample growth opportunities in China for Domino's, given the strong brand name globally and the good foundation we've laid out in China over the past few years. And we are already the fastest-growing pizza brand among the top 5 pizza brands in China in terms of 2022 revenue, according to Frost & Sullivan.

Over the past 6 years, our company has experienced exponential growth. This can't be achieved without our management team's sound strategy and high-quality execution. Our management team possesses on average more than 15 years of sector-specific experience, and have been working together for many years. The management team has formed our 4D strategies to differentiate us from our competitors:

#1, delicious pizza at value. We've been trying to innovate our menu and introduce various topping and crust choices, at great value. Attributes of tasty pizza, innovativeness and value for money have been well recognized by our consumers and reflected in market survey results.

#2, Delivery. We have the 30-minute delivery promise supported by our dedicated riders. This is a highly appreciated service and value to our customers. 63.6% of all the [interim] revenue generated at DPC Dash was from delivery, which puts us as one of the industry leaders.

#3, Digital. We continue to apply digital innovations in many areas of our business, from digital gaming to engage customers, consumer interface optimization on omni-channels, smart dispatch to ensure 30-minute promise, CDP to improve reach and repeat, to supply chain, back of store, back of office systems, altogether to drive for better consumer experience and operation efficiency. Our loyalty program has also achieved 10.9 million members, compared to 7 million about a year ago.

#4, Development. Store access forms the foundation of convenience. We have a very strong track record of store openings over the past years with very low store closures, of which we are very proud of.

Due to the successful execution of our 4D strategies by our management, we've delivered strong results consistently. Store count increased by more than 5x compared with 6 years ago. As of June 30, 2023, we have 672 stores in 20 cities, and 84 net store additions during the first half of year 2023, double that of first half of year 2022.

We have achieved positive same-store sales every quarter since the third quarter of 2017 when the current management was on board, no matter before, during or after Covid. With the first half of the 2023 total revenue at RMB1.376 billion, we recorded a 51.5% total revenue growth, compared to the same period last year, and have grown our revenues at 35.3% CAGR since 2020.

During these years, we have continued to improve profitability. During the first half of the year of 2023, our store-level operating margin increased to 13.5% when compared to 9.2% in the same period last year, and 3.4% in 2020.

Our adjusted group level EBITDA in the first half of year 2023 also improved by over 300 bps to 9.2% from 6.1% in the first half of 2022, and from negative 1.6% in 2020.

As one of the market leaders that differentiates through a localized pizza-focused menu, unique expertise and leadership in delivery, technology-focused and scalable and replicable store-unit economic model, we believe we are well on track to achieve overall profitability of the business for the group.

Now let me share more details. For the first half of this year, we achieved new records in number of the new stores opened, the number of the new cities entered, as well as record gross revenues. We have grown our total store count 32.3% when compared to the first half of the year 2022 with a 2-year CAGR of 27.3%. We are now operating in 20 cities, compared to 16 cities as of December 31, 2022.

We achieved record-setting revenues for the first 6 months of this year with RMB1.376 billion in total sales. This represents a 51.5% increase year-over-year and a 35.3% 2-year CAGR. The strong revenue growth was observed across all markets. In Shanghai and Beijing, which are established markets with the longest operation history, the revenue grew at 30.3% year-over-year from RMB579.8 million in the first half of year 2022 to RMB755.4 million for the Reporting Period, with over 75% of the revenue coming from delivery.

The revenue growth in our new growth markets was even stronger, recording 88.7% year-on-year growth from RMB329.0 million in the first half year of year 2022 to RMB620.9

million in the Reporting Period, which amounted to 45.1% of the Group's total revenue for the Reporting Period.

This strong growth was not only a result of the overall strong revenue growth in the existing new growth markets, but also particularly exceptional performance in the new cities, such as Wuhan, Jinan, Chengdu, Qingdao, Wenzhou and Changzhou. We have seen tremendous demand for Domino's, including these newly-entered cities. We entered Wuhan and Jinan at year end of 2022. We opened our first store in Chengdu in early March 2023. And in late April 2023, we entered three cities on the same day, one store in Qingdao, one store in Wenzhou, and three stores in Changzhou.

In Qingdao, the first store broke Domino's global system record of 30-consecutive day sales totaling above RMB4 million, refreshing the records created by Wuhan, Jinan and Chengdu. The first store in Wenzhou ranked second in Domino's global system for 30-day consecutive sales, second only to our Qingdao store. The three stores in Changzhou are estimated to pay back within 8-12 months.

As of June 30, 2023, we have altogether 24 stores in these 6 new cities, of which 6 stores now hold the top-6 positions within Domino's global system in terms of the first 30-day sales. The average daily sales per store of these 6 cities is RMB46,660 during the 6 months ended June 30, 2023. The average payback period of the 24 stores in these 6 new markets is expected to be all less than 12 months, of which 7 stores have already achieved their payback as of July 1, 2023. From these set of numbers, we demonstrate that there is strong demand for Domino's across cities and the potential for Domino's is just huge in China.

During the first 6 months of 2023, we had a net store opening of 84 stores, with 19 net stores added to Shanghai and Beijing, and 65 net stores added to new growth markets. After June 30, 2023 and as of August 20, 2023, we have opened an additional 20 stores, with 28 stores under construction and 25 stores signed or approved, a complete rate close to 90% for 2023 full year store opening plan of 180. And we further plan to open another 240 stores in 2024.

Hopefully, we have provided a glimpse of the Domino's brand momentum across all cities we are in. The success in the old, as well as the newly-entered markets, demonstrates our strong brand impact as well as our scale capabilities. Looking forward, we will continue to execute our go-deeper and go-broader network expansion strategy, entering more new cities while further penetrating our existing markets. We will also continue to improve our cost efficiency as we continue to scale up, accelerating our path to profitability.

Now with that, I would like to turn it over to Helen Wu, our CFO, to further discuss our financial results.

Helen…

Helen Wu
CFO, DPC Dash Ltd

Thank you, Aileen, for the introduction. Hello, everyone. I am pleased to have this opportunity to share with you our solid performance for the first half of 2023. Through hard work and dedication, we have achieved success in our China expansion, even though the entirety of the pandemic, and our 2023 first half financial results reflect as such.

For the first 6 months of this year, our revenues increased by 51.5% to RMB1.38 billion from RMB909 million in the same period of 2022, mainly attributable to the increase in our average daily sales per store and increased number of stores in operation during the reporting period.

The revenue growth has been a consistent trend across all of our markets. Let me give you some details. In Beijing and Shanghai, our revenues surged by 30.3% to RMB755 million in the first half of 2023 from RMB580 million in the same period of last year. This growth was primarily fueled by the expansion of our store network in these two dynamic cities. For the past 12 months from July 1, 2022, we added 48 net stores in these two cities, arriving at 331 stores as of June 30, 2023

In our new growth markets, the progress has also been outstanding. Revenues surged by a substantial 88.7% to RMB621 million in the first half of 2023 from RMB329 million in the first half of last year.

The average daily sales per store also increased by 7.1% to RMB12,275 for the first half of 2023, from RMB11,462 for the same period of 2022.

In the first half, we experienced a 5.6% year-over-year decline in average daily sales per store in Beijing and Shanghai. This dip can be attributed to a 9.9% decrease in the average sales value per order. Despite this, the impact was mitigated by an increase in the average number of orders per store per day, which had a 4.8% rise from 139 to 146. It's worth noting that the surge in group buying activities during the Covid-19 lockdown period temporarily boosted the average sales value per order for the first half of 2022.

In our new growth market, the average daily sales per store had a remarkable 30% year-over-year growth, reaching RMB11,316 for the first 6 months of this year, compared to RMB8,705 for the same period of 2022. This increase was mainly fueled by a rise in the average number of orders per store per day, which jumped from 100 to 134 over the same period.

The expansion of our store network also played a pivotal role in this impressive performance. During the 12 months leading up to the June ending of this year, we added a total of 116 net new stores in our new growth markets. This expansion, combined with the ongoing strengthening of our brand and market penetration efforts, has significantly contributed to the surge in order volumes.

Let’s move on to the cost items. Here I will walk you through the costs at store level and at corporate level, respectively. Before we start, I’d like to bring your attention to the corresponding items on our P&L statement and the footnotes of the financial statements to store level and corporate level cost items for your better understanding.

Our raw materials and consumables costs include the cost of goods sold, the COGS, at our store and the central kitchen in relation to the production of our products. Our staff compensation includes the cash-based salary at store level; cash-based salary at corporate level; and our share-based compensations, with the breakdowns disclosed in the earnings announcement.

Over 97% of the rental cost, which includes the items named depreciation of right-of-use assets and variable lease rental payment, short-term rental and other related expenses on the P&L statement, are incurred at the store-level operation. Similar splits of the cost items also include depreciation of plant and equipment, utility expenses, advertising and promotion expenses.

Approximately 97% of the amortization of intangible assets is incurred at the corporate level, which is mainly the amortization amount of our master franchisee agreement, while the remaining of the amortization of intangible assets is mainly the store-opening fee amortization expense at the store level. The majority of the items named Other Expense is incurred at the corporate level and most of which is G&A expenses at the corporate level.

With the above information, let’s look at the costs and the margins at the store and the corporate level. In the first half of 2023, we achieved greater operational efficiency, and further enhanced the brand recognition, delivering meaningful optimization in store-level economics

The COGS of the Group for the first half of this year amounted to RMB380.4 million, representing a year-over-year increase of 53.9%, in line with our revenue growth. We have managed to maintain the COGS charge rate to revenue in a relatively stable range. The slight increase of 40 basis points is primarily a result of the increased promotion activities during the first half of this year, which we carried out less in the first half of last year, due to pandemic-related lockdowns in some of the cities we operated.

Similarly, the advertising and promotion expenses as a percentage of revenue increased slightly by 40 basis points on increased marketing activities during the first half of this year.

Store-level cash-based staff compensation expenses as a percentage of revenue dropped to 26.9% during the first 6 months of this year, from 28.9% for the same period a year ago. The decrease was primarily attributable to, number one, the savings in working hours of our store-level staff as the Covid-19 pandemic eased, and the decrease of temporary closure resulted from Covid-19; and number two, the operating efficiency improved at our store level during the Reporting Period.

Our rental expenses as a percentage of revenue decreased to 9.9% during the first half of 2023 from 11.3% for the same period of last year. The decrease was primarily attributed to our robust revenue growth and our enhanced negotiation capabilities, which allowed us to secure more favorable lease terms due to strengthened brand recognition.

The charge rate of the depreciation and amortization, utility expenses and other expenses also decreased slightly on the growing revenue, as well as well managed cost and capital expenditures on stores.

Given the above, our store-level operating profit has seen a significant uplift. For the first 6 months of this year, we achieved a store-level operating profit of RMB186 million, compared to RMB83 million for the same period of last year. This is a 123.6% year-over-year growth. This significant improvement is also mirrored in our store-level operating profit margin, which stood at 13.5% for the first half of this year as compared to 9.2% for the same period of last year.

The positive trend also extends to the group level. For the two largest cost items at the corporate level, namely, the staff cost and the depreciation and amortization cost, their charge rate to total revenue have also been consistently decreasing, as our revenue continues to grow and the benefit of scale of economy and cost efficiency continue to emerge.

Our cash basis staff cost at the corporate level as a percentage of total revenue decreased from 8.6% in the first half of last year to 7.4% for the first half of this year. Corporate depreciation and amortization charge rate also decreased from 2.8% to 1.9% year-over-year.

As such, our group-level adjusted EBITDA for the first 6 months in 2023 reached RMB127 million, a considerable 128.6% year-over-year increase from RMB56 million for the same period of 2022. The group-level adjusted EBITDA margin increased from 6.1% to 9.2% as we compare the performance of the two periods.

Moreover, our relentless efforts have translated into remarkable reductions in our adjusted net loss. For the first 6 months of 2023, our adjusted net loss was negative RMB17 million, an approximately 75% year-over-year improvement as compared to negative RMB69 million for the same period of 2022, reflecting our steadfast journey towards improved financial health.

As at June 30, 2023, the Group's cash and cash equivalents, including restricted cash, amounts to RMB1.03 billion. We have an interest-bearing bank loan of RMB200 million, which is due in 2025. Our equity base has also increased to RMB2.11 billion from RMB753.1 million, thanks to the IPO capital raise and the conversion of the senior ordinary share into common equity at the time of IPO. This builds a good capital structure base for our continued fast growth and expansion.

This concludes my prepared remarks for today's call. Operator, we are now ready to take some questions.

QUESTIONS AND ANSWERS

Operator

Yes, thank you. At this time, we will now begin the question-and-answer session.

(Operator Instructions).

David Ji
ICR

Thank you, Aileen and Helen, for your prepared remarks. As all are formulating their questions, I'd like to take this time to ask two questions, which were pre-submitted to us before the call. The first question is what do you see as the current trend for delivery versus dine-in, given Covid has ended in China? Also, can you provide some insights to the current consumption trend post-Covid? Thank you.

Aileen Wang
CEO & Executive Director, DPC Dash Ltd

Thank you for your questions. So our first half of the year, our same-store sales is actually up 8.8%, and we think that we also benefit from dine-in coming back. But at the same time, our delivery is also achieving healthy same-store sales number. So as we expected, even after Covid, people still sort of get sticky to delivery because once you form the habit, delivery offers convenience and consumers do come back to delivery.

David Ji
ICR

Thank you, Aileen. The second question is what is your store opening plan in the near term for Beijing and Shanghai, and relative to those two cities, relative to your new growth markets? Thank you.

Aileen Wang
CEO & Executive Director, DPC Dash Ltd

Thank you. For the 2023 opening plan, the total target is 180. As I mentioned before, we're actually on track to achieve the plan. And then within the 180, we allocated around sort of 20% to Beijing and Shanghai, and then so far, we're also on track for that. And then for the rest, we're allocating to the existing new growth market because we want to go deeper within that existing clusters. And then after that, we will actually explore sort of the new region territory for further growth opportunities.

David Ji
ICR

Thanks, Aileen. Back to you, operator.

Operator

Yes, thank you. And the first question from the phone comes from Lucy Yu with Bank of America.

Lucy Yu
Bank of America

Hi Aileen, this is Lucy Yu from Back of America. I have two questions here. First of all, is that the store expansion has been really fast with accelerating net adds every year. So how can we ensure the success of new store opening? What have we done right to make sure of that? And how should our corporate management structure evolve, considering rapid growing network size? So that's number one.

Number two is more for Helen. Same-store has been really strong post-Covid in the first half. Could we please have some update for July and August? And how should we think about a same-store for the second half?

Aileen Wang
CEO & Executive Director, DPC Dash Ltd

Okay. Yes, so I'll answer the first question on the store expansion. So when we select these cities to enter, we basically will think about several things. The first thing is on the macro side. We will look at the population, we will look at the income level. We'll also look at the percentage of middle class, and then we'll look at the consumption style. We'll look at sort of the retail, social retail sales; we'll look at the WQSR sales. We'll also look at the delivery habits. And then we also will look at whether this city is actually within the existing cluster, so that we can share the same sort of supply chain center resources, operation talent resources, and also, the brand halo impact. And then within one city, we also do conduct the same exercise, so we will actually prioritize then the high-priority trading areas in terms of similar KPIs.

And then in terms of the support, so we actually have been hiring and training our managers at stores to support our same-store growth. And then we've been finding essentially becoming easier and easier because our brand is increasing, and also, we're gaining success in not only the mature markets, but also the new growth markets, including the newly-entered markets, with the brand getting stronger. And then the managers actually find it's very inspiring to join this brand and roll with the brand.

Helen Wu
CFO, DPC Dash Ltd

On the same-store sales growth, I think the first half is 8.8%. I think if you look at the same-store sales growth in a few years in a row, considering the strong growth over the last few years, the 8.8%, we think, is still very strong and healthy if we look at the time period. So for July and August, we're roughly a similar level and slightly higher than 8.8%, roughly probably the low -- mid-teens-ish.

But then again, I think last year, if you look at our numbers, our full year is actually 14.4%, right? So we actually have a pretty strong Q3 and Q4, so which actually sets the bar quite high. And then I think for the full year, we will still looking at a single-digit roughly in the range of upper high-single-digit, let me put it this way, so I think for the same-store sales growth, we should actually look in the time series, rather than look at a single period standalone.

And I think the other thing I actually also want to touch on is that we are a fast-growth company, and then we are adding high-quality new stores every year. So I think from investors' perspective, I probably should recommend actually, we focus more on the top line revenue side, which is really a reflection of the growth of our footprint across the country. And also, I think we continue open high-quality stores and we have margin improvement at the store level and at the group level.

So I think for a high-growth company, I think the top line and also whether there is a margin improvement at the store level and the group level, I think these are the key indicators for a company growing at our speed, at a speed like us, and showing that whether the stores open are high quality, or just simply pushing a high number of store counts.

Lucy Yu
Bank of America

Thank you, Aileen; thank you, Helen. That's very clear.

Operator

Ivan Su with Morningstar.

Ivan Su
Morningstar

Thanks for taking my question. Sort of asking about the promotional landscape. Do you still see those promotional headwinds persisting in July and August? And if so, how are you dealing with the promotional situation? Are you considering potentially making some downward adjustments to your menu pricing? Just want to get some thoughts on that.

Aileen Wang
CEO & Executive Director, DPC Dash Ltd

So you're asking about the promotional level, and are we going to adjusting down. So meaning are we going to offer more value to the customers, is that your question?

Ivan Su
Morningstar

Yes.

Aileen Wang
CEO & Executive Director, DPC Dash Ltd

Okay. So far, our sales have been very strong, right? So we actually always offer value for money, products and services to the customers. We have, based on where we heard from Frost & Sullivan, we have the highest number of toppings and crusts offering in terms of the pizza market in China. And then we are rated highest by our customers within the marketing survey that our innovation is very strong. And then we also offer the 30-minute promise, if we exceed the 30 minutes, we will give customers a free pizza coupon, right? And our arrival rate is actually very high in terms of this, especially quite leading. So then also, our value for money scores are relatively quite high according to what we've heard from the customers. So based on what we offer so far, we do think we offer great value to the customers.

And then if you look at our menu, right, so we actually have three tiers of the prices, and then the entry level starts from 39. And every Tuesday and Wednesday, we have the crazy Tuesday and Wednesday promotion and then it's 30% across all the pizza ranges. So if you actually buy a pizza at 39 on Tuesday and Wednesday, you actually reach 28 for a pizza, and then it's actually -- I think it's very good value.

Ivan Su
Morningstar

Thanks. And maybe just a quick follow-up. Do you see yourself as a, I guess, beneficiary of the current down-trading type of environment in China?

I'll just kind of also follow-up on the first question where you talk about how the same-store sales have been holding up in July and August at around 8.8%. That just seems to me like a pretty strong number in light of the weakening macro situation in China. So perhaps if you can just provide the insight, a little bit more insight, into how your same-store sales have been holding up so well? Is that market share gain, or is it you benefiting from a down-trading kind of environment?

Aileen Wang
CEO & Executive Director, DPC Dash Ltd

Got it. Okay. So our same-store sales have been always -- has been strong for several years, right, so before Covid, during Covid, after Covid, especially consistently quite strong. I think it's back to some foundational benefits. The first thing is that we benefit from the global brand of Domino's. Domino's the world's largest pizza company, right? Second, like I mentioned before, we do have a large offering in terms of pizza and also different types of crust types, right? And then people actually -- consumers tell us that they find our pizzas tasty, and we have the delivery promise and also the good value. At the end of the day, I think consumers actually want foundational benefits. It's this product, service and value, right? So if you continuously offer this to them, they will actually appreciate it.

So that's why our sales have been very strong, and it's not only strong in the mature markets where we have a lot of stores; and then it's also strong in the new markets, right? And then people are sort of -- get very excited when they see the brand coming to the new markets because they heard about the brands globally, they heard about brand in Shanghai and Beijing. So finally, Domino's comes here and offer them the same value, they are very excited about it. So I think that's why we're always -- we're having this very strong sales strength.

Ivan Su
Morningstar

Thanks for the insight.

Operator

Thank you. (Operator Instructions). Yuchen Lee with Guohai Securities.

Yuchen Lee
Guohai Security

Hi Aileen, Hi Helen. I have just one question. That is with the continued expansion of stores in China, where our store location strategy will be strictly based on the location within 3 kilometers because we need to ensure the delivery within the 30 minutes.

Aileen Wang
CEO & Executive Director, DPC Dash Ltd

So the question is when we expand the stores, are we still going to limit the delivery radius to 3 kilometers, right? Is that the question?

Yuchen Lee
Guohai Security

Yes.

Aileen Wang
CEO & Executive Director, DPC Dash Ltd

Our actual delivery radius is actually shorter than this to ensure that customers can get the pizzas within 30 minutes, and then can enjoy to have them hot and fresh. So when we expand, we do believe the 30-minute promise is actually a promise. It's very unique for our brand, so we will continue to offer the promise to the customers in different cities.

Yuchen Lee
Guohai Security

Okay, thanks.

Operator

Thank you. And this concludes the question-and-answer session. I'd now like to return the floor to management for any closing comments.

Aileen Wang
CEO & Executive Director, DPC Dash Ltd

Well, thank you so much for joining us on today's call, and we appreciate your ongoing support. We look forward to updating you on our progress in the weeks and months ahead. Thank you again.

Operator

Thank you. This concludes our meeting. If you have additional questions, or did not get a chance to ask during the call, please feel free to reach out to us at dpcdashIR@icrinc.com, or visit our website at www.dpcdash.com. We would like the chance to connect with you. You may now hang up.

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