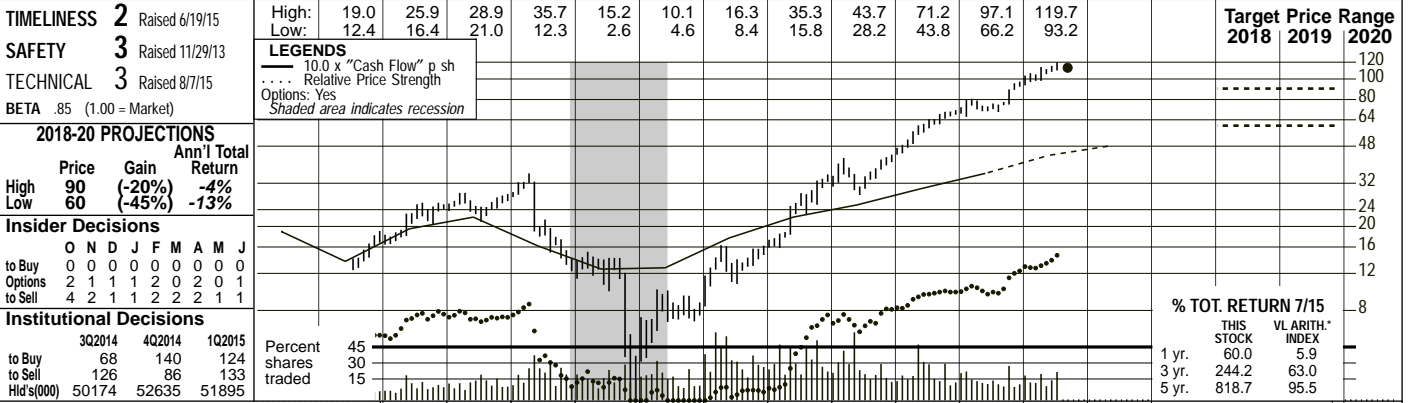


DOMINO'S PIZZA NYSE-DPZ

RECENT PRICE **112.90** P/E RATIO **31.4** (Trailing: 36.4 Median: 15.0) RELATIVE P/E RATIO **1.71** DIV'D YLD **1.1%** VALUE LINE



Domino's Pizza opened in 1960 and has grown substantially since then. In 1998, an investor group led by investment funds affiliated with Bain Capital completed a recapitalization through which the investor group acquired a 93% interest in the company from Thomas Monaghan and his family. In 2004, Domino's Pizza completed its IPO, selling 24.1 million shares at \$14.00 a share. The lead underwriters were J.P. Morgan and Citigroup.	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
	22.50	23.02	24.52	24.92	23.97	26.19	28.61	29.81	32.32	35.89	40.45	43.00	Revenues per sh ^A	53.85
	1.95	2.22	1.62	1.26	1.27	1.77	2.22	2.53	3.03	3.57	4.35	4.85	"Cash Flow" per sh	5.75
	1.44	1.65	1.03	.75	.87	1.35	1.69	2.02	2.48	2.86	3.50	3.95	Earnings per sh ^A	4.65
	.40	.48	--	--	--	--	--	--	.80	1.00	1.05	1.10	Div'd Decl'd per sh ^{BC}	1.30
	.43	.32	.71	.34	.39	.42	.42	.52	.72	1.26	1.00	1.05	Cap'l Spending per sh	.85
	d7.61	d9.05	d24.30	d24.92	d22.55	d20.19	d20.95	d23.72	d23.13	d21.95	d22.15	d21.20	Book Value per sh	d16.00
	67.18	62.45	59.67	57.18	58.57	59.97	57.74	56.31	55.77	55.55	54.00	53.50	Common Shs Outst'g ^D	52.00
	14.8	15.6	16.3	14.7	8.8	9.9	14.4	17.7	23.8	27.3	27.3	27.3	Avg Ann'l P/E Ratio	16.0
	.79	.84	.87	.88	.59	.63	.90	1.13	1.34	1.44	1.44	1.44	Relative P/E Ratio	1.00
	1.9%	1.9%	--	--	--	--	--	--	1.4%	1.3%	1.4%	1.3%	Avg Ann'l Div'd Yield	2.1%

CAPITAL STRUCTURE as of 6/14/15	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Revenues (\$mill) ^A	2800
Total Debt \$1,527 bill. Due in 5 Yrs \$1,522 mill.	1511.6	1437.3	1462.9	1425.1	1404.1	1570.9	1652.2	1678.4	1802.2	1993.8	2185	2300	Operating Margin	19.0%
LT Debt \$1,527 bill. LT Interest \$60.0 mill.	14.7%	17.1%	17.3%	14.5%	15.2%	16.0%	17.1%	18.2%	18.8%	19.1%	20.0%	20.5%	Depreciation (\$mill)	42.0
(Total Interest coverage: 4.0x)	32.4	32.3	31.2	28.4	24.1	24.1	24.0	23.2	25.8	35.8	36.0	37.0	Net Profit (\$mill)	255
(More than 100% of Capital)	98.7	106.2	65.7	43.5	50.5	81.9	104.0	119.5	143.0	162.6	195	220	Income Tax Rate	38.0%
Leases, Uncapitalized: Annual rentals \$36.3 mill.	39.7%	33.8%	21.2%	34.9%	39.7%	36.7%	38.0%	34.0%	36.5%	37.1%	37.5%	37.1%	Net Profit Margin	9.1%
No Defined Benefit Pension Plan	6.5%	7.4%	4.5%	3.1%	3.6%	5.2%	6.3%	7.1%	7.9%	8.2%	9.1%	9.6%	Working Cap'l (\$mill)	320
Common Stock 54,913,919 shares as of 7/9/2015	4.0	11.1	51.4	104.7	59.3	118.9	129.6	76.8	96.9	162.8	195	200	Long-Term Debt (\$mill)	1300
MARKET CAP: \$6.2 billion (Large Cap)	702.4	740.1	1704.8	1704.4	1522.5	1451.3	1450.4	1536.4	1512.3	1523.5	1475	1425	Shr. Equity (\$mill)	d830
CURRENT POSITION	d511.0	d564.9	d1450	d1425	d1321	d1211	d1210	d1336	d1290	d1219	d1195	d1135	Return on Total Cap'l	54.5%
2013	64.3%	76.3%	51.3%	36.1%	52.4%	54.0%	62.3%	84.7%	84.4%	67.8%	71.0%	76.0%	Return on Shr. Equity	NMF
2014	--	--	--	--	--	--	--	--	--	--	NMF	NMF	Retained to Com Eq	NMF
6/14/15	27%	28%	--	--	--	--	--	--	24%	33%	29%	27%	All Div'ds to Net Prof	27%

BUSINESS: Domino's Pizza is the largest pizza delivery company in the United States, based on reported consumer spending, and the second largest in the world, based on number of units. It operates 377 company-owned and 11,252 franchised stores, located in all 50 states and in over 75 countries. Domino's also operates dough manufacturing, vegetable processing, and equipment facilities. Domestic operations (including supply chain) account for 92% of revenues; international, 8%. Employs about 11,000. Officers & directors own 4.9% of stock; FMR, 12.5%; CAPITAL World, 9.5%; Vanguard, 7.2%; Renaissance, 6.5%; (3/15 Proxy). CEO: J. Patrick Doyle, Inc.: DE. Address: 30 Frank Lloyd Wright Drive, Ann Arbor, MI 48105. Tel.: 734-930-3030. Internet: www.dominos.com.

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '12-'14
of change (per sh)	10 Yrs.	5 Yrs.	to '18-'20
Revenues	1.0%	6.0%	8.5%
"Cash Flow"	6.5%	17.0%	11.0%
Earnings	10.0%	22.5%	11.0%
Dividends	34.0%	--	14.0%
Book Value	--	--	NMF

Fiscal Year Ends	QUARTERLY REVENUES (\$ mill.) ^A				Full Fiscal Year
	Mar.	Jun.	Sep.	Dec.	Per Dec. Per
2012	384.6	376.1	378.1	539.6	1678.4
2013	417.6	414.0	404.1	566.5	1802.2
2014	453.8	450.4	446.6	643.0	1993.8
2015	502.0	488.6	480	714.4	2185
2016	530	525	500	745	2300

Fiscal Year Ends	EARNINGS PER SHARE ^A				Full Fiscal Year
	Mar.	Jun.	Sep.	Dec.	Per Dec. Per
2012	.47	.47	.44	.64	2.02
2013	.59	.57	.53	.79	2.48
2014	.71	.67	.63	.85	2.86
2015	.81	.81	.74	1.14	3.50
2016	.90	.95	.85	1.25	3.95

Calendar	QUARTERLY DIVIDENDS PAID ^{BC}				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	Per Dec. Per
2011	--	--	--	--	--
2012	--	--	--	--	--
2013	.20	.20	.20	.20	.80
2014	.25	.25	.25	.25	1.00
2015	.31	.31	.31		

Domino's continues to impress. The company posted strong results in the June period. Revenues of \$488.6 million and earnings of \$0.81 a share topped our estimates thanks to strong international sales, as well as the success of its digital platform. Further, higher same-store sales and continued growth in the store count were positives. All said, investors viewed the financials favorably and, as a result, shares of DPZ have continued to climb. **There will be a change in the executive suite.** Long-time executive Michael Lawton is retiring from his role as chief financial officer. Jeffrey Lawrence, who is serving as treasurer, is taking over the post effective August 31st. **The pizza chain holds an advantage over its smaller competitors.** Indeed, Domino's has developed an impressive digital platform that has allowed it to offer a convenient alternative for its customers to order from its straightforward menu. As a result, a rising number of orders are coming from this platform and allowing the pizza giant to take market share from local pizzerias. **We look for the top- and bottom-line momentum to continue in the months ahead.** Recent marketing efforts will likely provide a boost to revenues despite unfavorable foreign exchange rates. Feedback from a new store format has been encouraging, too. Lower commodity costs should benefit profits. Accordingly, we estimate \$2.185 billion on the top line and \$3.50 a share on the bottom line for the full year. Looking further out, we project revenues and earnings to grow at a solid clip in the years ahead. **The company carries a sizable amount of debt.** The balance sheet is quite leveraged. Thus, Domino's would benefit from strengthening its finances. The company will likely refinance its obligations and work down its debt load going forward. Regardless, Domino's appears committed to returning cash to its shareholders via dividends and buybacks. **This stock is ranked 2 (Above Average) for Timeliness.** Momentum-based accounts should consider DPZ shares. Long-term appreciation potential is lacking, however. This issue's price run-up has discounted its long-term appeal.

Richard J. Gallagher August 28, 2015

(A) Diluted earnings. Fiscal years end Sunday before January 2nd. Next earnings report due in mid October. Quarterly earnings may not sum to total due to rounding. Excludes non-recurring gains/(losses): '07, (44c); '08, 18c; '09, 51c; '10, 10c; '11, 2c; '12, (11c). (C) Paid special cash dividends of \$13.50 a share on 5/4/07 and \$3.00 a share on 4/2/2012. (B) Stopped paying regular cash div'ds in '07; Resumed the payout in '13. (D) In millions.

Company's Financial Strength	B
Stock's Price Stability	65
Price Growth Persistence	70
Earnings Predictability	90

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