UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 22, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission file number: 001-32242

Domino’s Pizza, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware **(State or Other Jurisdiction of Incorporation or Organization)**	**38-2511577** **(I.R.S. Employer Identification No.)**
30 Frank Lloyd Wright Drive **Ann Arbor, Michigan** **(Address of Principal Executive Offices)**	**48105** **(Zip Code)**

(734) 930-3030
(Registrant’s Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Domino’s Pizza, Inc. Common Stock, $0.01 par value	**DPZ**	**New York Stock Exchange**

Indicate by check mark whether registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 16, 2020, Domino’s Pizza, Inc. had 39,117,878 shares of common stock, par value $0.01 per share, outstanding.

Domino's Pizza, Inc.

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements.

Domino's Pizza, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Unaudited)

(In thousands)	March 22, 2020	December 29, 2019 (1)
Assets		
Current assets:		
Cash and cash equivalents	$ 200,801	$ 190,615
Restricted cash and cash equivalents	189,370	209,269
Accounts receivable, net	219,199	210,260
Inventories	49,010	52,955
Prepaid expenses and other	26,025	19,129
Advertising fund assets, restricted	109,969	105,389
Total current assets	794,374	787,617
Property, plant and equipment:		
Land and buildings	44,732	44,845
Leasehold and other improvements	165,843	164,071
Equipment	249,467	243,708
Construction in progress	39,806	42,705
	499,848	495,329
Accumulated depreciation and amortization	(259,131)	(252,448)
Property, plant and equipment, net	240,717	242,881
Other assets:		
Operating lease right-of-use assets	228,940	228,785
Goodwill	15,061	15,093
Capitalized software, net	74,203	73,140
Other assets	27,539	24,503
Deferred income taxes	9,042	10,073
Total other assets	354,785	351,594
Total assets	$ 1,389,876	$ 1,382,092
Liabilities and stockholders' deficit		
Current liabilities:		
Current portion of long-term debt	$ 43,390	$ 43,394
Accounts payable	94,502	111,101
Operating lease liabilities	36,914	33,318
Insurance reserves	23,453	23,735
Dividends payable	30,985	471
Advertising fund liabilities	106,832	101,921
Other accrued liabilities	116,093	139,891
Total current liabilities	452,169	453,831
Long-term liabilities:		
Long-term debt, less current portion	4,061,198	4,071,055
Operating lease liabilities	199,304	202,731
Insurance reserves	35,362	34,675
Other accrued liabilities	34,033	35,559
Total long-term liabilities	4,329,897	4,344,020
Stockholders' deficit:		
Common stock	390	389
Additional paid-in capital	12,474	243
Retained deficit	(3,398,986)	(3,412,649)
Accumulated other comprehensive loss	(6,068)	(3,742)
Total stockholders' deficit	(3,392,190)	(3,415,759)
Total liabilities and stockholders' deficit	$ 1,389,876	$ 1,382,092

(1) The balance sheet at December 29, 2019 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.

The accompanying notes are an integral part of these condensed consolidated statements.

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Domino's Pizza, Inc. and Subsidiaries
Condensed Consolidated Statements of Income
(Unaudited)

(In thousands, except per share data)	Fiscal Quarter Ended March 22, 2020	Fiscal Quarter Ended March 24, 2019
Revenues:		
U.S. Company-owned stores	$102,326	$123,450
U.S. franchise royalties and fees	104,746	96,708
Supply chain	512,700	472,100
International franchise royalties and fees	57,496	54,584
U.S. franchise advertising	95,834	89,121
Total revenues	873,102	835,963
Cost of sales:		
U.S. Company-owned stores	79,388	95,540
Supply chain	453,557	418,134
Total cost of sales	532,945	513,674
Operating margin	340,157	322,289
General and administrative	88,489	89,664
U.S. franchise advertising	95,834	89,121
Income from operations	155,834	143,504
Interest income	932	693
Interest expense	(39,470)	(35,054)
Income before (benefit) provision for income taxes	117,296	109,143
(Benefit) provision for income taxes	(4,306)	16,493
Net income	$121,602	$ 92,650
Earnings per share:		
Common stock - basic	$ 3.14	$ 2.27
Common stock - diluted	3.07	2.20

The accompanying notes are an integral part of these condensed consolidated statements.

Domino's Pizza, Inc. and Subsidiaries
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

(In thousands)	Fiscal Quarter Ended March 22, 2020	Fiscal Quarter Ended March 24, 2019
Net income	$121,602	$ 92,650
Currency translation adjustment	(2,326)	237
Comprehensive income	$119,276	$ 92,887

The accompanying notes are an integral part of these condensed consolidated statements.

Domino's Pizza, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(In thousands)	Fiscal Quarter Ended March 22, 2020	Fiscal Quarter Ended March 24, 2019
Cash flows from operating activities:		
Net income	$121,602	$ 92,650
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	14,032	13,790
Loss on sale/disposal of assets	306	149
Amortization of debt issuance costs	1,291	1,101
Provision for deferred income taxes	702	1,467
Non-cash compensation expense	4,914	4,608
Excess tax benefits from equity-based compensation	(30,449)	(8,663)
Provision for losses on accounts and notes receivable	1,589	94
Changes in operating assets and liabilities	(23,119)	1,974
Changes in advertising fund assets and liabilities, restricted	4,490	(10,172)
Net cash provided by operating activities	95,358	96,998
Cash flows from investing activities:		
Capital expenditures	(17,467)	(12,222)
Other	(426)	262
Net cash used in investing activities	(17,893)	(11,960)
Cash flows from financing activities:		
Repayments of long-term debt and finance lease obligations	(10,849)	(48,968)
Proceeds from exercise of stock options	10,105	4,537
Purchases of common stock	(79,590)	(8,144)
Tax payments for restricted stock upon vesting	(1,796)	(2,467)
Payments of common stock dividends and equivalents	(80)	(90)
Other	152	—
Net cash used in financing activities	(82,058)	(55,132)
Effect of exchange rate changes on cash	(961)	124
Change in cash and cash equivalents, restricted cash and cash equivalents	(5,554)	30,030
Cash and cash equivalents, beginning of period	190,615	25,438
Restricted cash and cash equivalents, beginning of period	209,269	166,993
Cash and cash equivalents included in advertising fund assets, restricted, beginning of period	84,040	44,988
Cash and cash equivalents, restricted cash and cash equivalents and cash and cash equivalents included in advertising fund assets, restricted, beginning of period	483,924	237,419
Cash and cash equivalents, end of period	200,801	83,114
Restricted cash and cash equivalents, end of period	189,370	150,055
Cash and cash equivalents included in advertising fund assets, restricted, end of period	88,199	34,280
Cash and cash equivalents, restricted cash and cash equivalents and cash and cash equivalents included in advertising fund assets, restricted, end of period	$478,370	$267,449

The accompanying notes are an integral part of these condensed consolidated statements.

Domino's Pizza, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited; tabular amounts in thousands, except percentages, share and per share amounts)

March 22, 2020

1. Basis of Presentation and Updates to Significant Accounting Policies

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. For further information, refer to the consolidated financial statements and footnotes for the fiscal year ended December 29, 2019 included in the Company's 2019 Annual Report on Form 10-K, filed with the Securities and Exchange Commission on February 20, 2020 (the "2019 Form 10-K").

In the opinion of management, all adjustments, consisting of normal recurring items, considered necessary for a fair statement have been included. Operating results for the fiscal quarter ended March 22, 2020 are not necessarily indicative of the results that may be expected for the fiscal year ending January 3, 2021.

Updates to Significant Accounting Policies

The Company adopted Accounting Standards Codification 326, *Financial Instruments – Credit Losses* ("ASC 326") in the first quarter of 2020. As a result, the Company updated its significant accounting policies for the measurement of credit losses below. Refer to Note 9 for information related to the impact of the adoption of ASC 326 on the Company's condensed consolidated financial statements.

Allowances for Credit Losses

The Company closely monitors accounts and notes receivable balances and estimates the allowance for credit losses. These estimates are based on historical collection experience and other factors, including those related to current market conditions and events. The Company's allowances for accounts and notes receivable have not historically been material.

The Company also monitors its off-balance sheet exposures under its letters of credit, surety bonds and lease guarantees. None of these arrangements has or is likely to have a material effect on the Company's results of operations, financial condition, revenues, expenses or liquidity.

2. Segment Information

The following table summarizes revenues, income from operations and earnings before interest, taxes, depreciation, amortization and other, which is the measure by which the Company allocates resources to its segments and which the Company refers to as Segment Income, for each of its reportable segments.

	Fiscal Quarters Ended March 22, 2020 and March 24, 2019					
	U.S. Stores	Supply Chain	International Franchise	Intersegment Revenues	Other	Total
Revenues						
2020	$302,906	$541,639	$ 57,496	$ (28,939)	$ —	$873,102
2019	309,279	505,681	54,584	(33,581)	—	835,963
Income from operations						
2020	$ 85,410	$ 47,375	$ 43,460	N/A	$(20,411)	$155,834
2019	80,615	42,021	42,754	N/A	(21,886)	143,504
Segment Income						
2020	$ 88,277	$ 51,437	$ 43,504	N/A	$ (8,132)	$175,086
2019	83,598	46,047	42,800	N/A	(10,394)	162,051

The following table reconciles Total Segment Income to consolidated income before (benefit) provision for income taxes.

	Fiscal Quarter Ended	
	March 22, 2020	March 24, 2019
Total Segment Income	$175,086	$162,051
Depreciation and amortization	(14,032)	(13,790)
Loss on sale/disposal of assets	(306)	(149)
Non-cash compensation expense	(4,914)	(4,608)
Income from operations	155,834	143,504
Interest income	932	693
Interest expense	(39,470)	(35,054)
Income before (benefit) provision for income taxes	$117,296	$109,143

3. Earnings Per Share

	Fiscal Quarter Ended	
	March 22, 2020	March 24, 2019
Net income available to common stockholders - basic and diluted	$ 121,602	$ 92,650
Basic weighted average number of shares	38,665,924	40,865,532
Earnings per share – basic	$ 3.14	$ 2.27
Diluted weighted average number of shares	39,633,404	42,202,429
Earnings per share – diluted	$ 3.07	$ 2.20

The denominator used in calculating diluted earnings per share for the first quarter of 2020 does not include 128,280 options to purchase common stock as the effect of including these options would have been anti-dilutive. The denominator used in calculating diluted earnings per share for the first quarter of 2020 does not include 84,765 restricted performance shares, as the performance targets for these awards had not yet been met.

The denominator used in calculating diluted earnings per share for the first quarter of 2019 does not include 71,880 options to purchase common stock as the effect of including these options would have been anti-dilutive. The denominator used in calculating diluted earnings per share for the first quarter of 2019 does not include 1,800 shares subject to restricted stock awards, as the effect of including these shares would have been anti-dilutive. The denominator used in calculating diluted earnings per share for the first quarter of 2019 does not include 96,712 restricted performance shares, as the performance targets for these awards had not yet been met.

4. Stockholders' Deficit

The following table summarizes changes in stockholders' deficit for the first quarter of 2020.

	Common Stock		Additional Paid-in Capital	Retained Deficit	Accumulated Other Comprehensive Loss
	Shares	Amount			
Balance at December 29, 2019	38,934,009	$ 389	$ 243	$(3,412,649)	$ (3,742)
Net income	—	—	—	121,602	—
Dividends declared on common stock and equivalents ($0.78 per share)	—	—	—	(30,442)	—
Issuance and cancellation of stock awards, net	1,645	—	—	—	—
Tax payments for restricted stock upon vesting	(5,929)	—	(1,796)	—	—
Purchases of common stock	(271,064)	(3)	(988)	(78,599)	—
Exercise of stock options	380,938	4	10,101	—	—
Non-cash compensation expense	—	—	4,914	—	—
Adoption of ASC 326 (Note 9)	—	—	—	1,102	—
Currency translation adjustment	—	—	—	—	(2,326)
Balance at March 22, 2020	39,039,599	$ 390	$ 12,474	$(3,398,986)	$ (6,068)

Subsequent to the first quarter, on April 21, 2020, the Company's Board of Directors declared a $0.78 per share quarterly dividend on its outstanding common stock for shareholders of record as of June 15, 2020 to be paid on June 30, 2020.

The following table summarizes changes in stockholders' deficit for the first quarter of 2019.

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Deficit	Accumulated Other Comprehensive Loss
Balance at December 30, 2018	40,977,561	$ 410	$ 569	$(3,036,471)	$ (4,429)
Net income	—	—	—	92,650	—
Dividends declared on common stock and equivalents ($0.65 per share)	—	—	—	(26,665)	—
Issuance and cancellation of stock awards, net	8,240	—	—	—	—
Tax payments for restricted stock upon vesting	(9,064)	—	(2,467)	—	—
Purchases of common stock	(33,549)	—	(1,782)	(6,362)	—
Exercise of stock options	140,702	1	4,536	—	—
Non-cash compensation expense	—	—	4,608	—	—
Currency translation adjustment	—	—	—	—	237
Balance at March 24, 2019	41,083,890	$ 411	$ 5,464	$(2,976,848)	$ (4,192)

5. Fair Value Measurements

Fair value measurements enable the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The Company classifies and discloses assets and liabilities carried at fair value in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The fair values of the Company's cash equivalents and investments in marketable securities are based on quoted prices in active markets for identical assets. The following tables summarize the carrying amounts and fair values of certain assets at March 22, 2020 and December 29, 2019:

	At March 22, 2020			
		Fair Value Estimated Using		
	Carrying Amount	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Cash equivalents	$173,317	$173,317	$ —	$ —
Restricted cash equivalents	106,225	106,225	—	—
Investments in marketable securities	10,989	10,989	—	—
Advertising fund cash equivalents, restricted	78,134	78,134	—	—

	At December 29, 2019			
		Fair Value Estimated Using		
	Carrying Amount	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Cash equivalents	$180,459	$180,459	$ —	$ —
Restricted cash equivalents	126,963	126,963	—	—
Investments in marketable securities	11,982	11,982	—	—
Advertising fund cash equivalents, restricted	67,851	67,851	—	—

Management estimated the approximate fair values of the 2015 fixed rate notes, the 2017 fixed and floating rate notes, the 2018 fixed rate notes and the 2019 fixed rate notes as follows:

	March 22, 2020		December 29, 2019	
	Principal Amount	Fair Value	Principal Amount	Fair Value
2015 Ten-Year Fixed Rate Notes	$ 772,000	$ 711,784	$ 774,000	$ 804,960
2017 Five-Year Fixed Rate Notes	586,500	549,551	588,000	588,588
2017 Ten-Year Fixed Rate Notes	977,500	825,010	980,000	1,017,240
2017 Five-Year Floating Rate Notes	293,250	251,315	294,000	294,000
2018 7.5-Year Fixed Rate Notes	418,625	387,228	419,688	431,439
2018 9.25-Year Fixed Rate Notes	394,000	351,054	395,000	414,355
2019 Ten-Year Fixed Rate Notes	673,313	544,037	675,000	675,675

The Company's variable funding notes are a variable rate loan and the fair value of this loan approximates book value based on the borrowing rates currently available for variable rate loans obtained from third party lending institutions. This fair value represents a Level 2 measurement. The Company did not have any outstanding borrowings under its variable funding notes at March 22, 2020 or December 29, 2019. Subsequent to the first quarter of 2020, the Company borrowed $158.0 million under its variable funding notes. The fair values in the table above represent the fair value of such notes at March 22, 2020 and December 29, 2019. In light of the COVID-19 pandemic (discussed further in Note 10), these fair values fluctuated significantly during the first quarter and may continue to fluctuate based on market conditions and other factors.

The fixed and floating rate notes are classified as Level 2 measurements, as the Company estimates the fair value amount by using available market information. The Company obtained quotes from two separate brokerage firms that are knowledgeable about the Company's fixed and floating rate notes and, at times, trade these notes. The Company also performed its own internal analysis based on the information gathered from public markets, including information on notes that are similar to those of the Company. However, considerable judgment is required to interpret market data to estimate fair value. Accordingly, the fair value estimates presented are not necessarily indicative of the amount that the Company or the debtholders could realize in a current market exchange. The use of different assumptions and/or estimation methodologies may have a material effect on the estimated fair values stated above.

6. Revenue Disclosures

Contract Liabilities

Contract liabilities primarily consist of deferred franchise fees and deferred development fees. Changes in deferred franchise fees and deferred development fees for the first quarter of 2020 and the first quarter of 2019 were as follows:

	Fiscal Quarter Ended	
	March 22, 2020	March 24, 2019
Deferred franchise fees and deferred development fees at beginning of period	$ 20,463	$ 19,900
Revenue recognized during the period	(1,417)	(1,361)
New deferrals due to cash received and other	724	900
Deferred franchise fees and deferred development fees at end of period	$ 19,770	$ 19,439

Advertising Fund Assets

As of March 22, 2020, advertising fund assets, restricted of $110.0 million consisted of $88.2 million of cash and cash equivalents, $19.5 million of accounts receivable and $2.3 million of prepaid expenses. As of March 22, 2020, advertising fund cash, cash equivalents and investments included $3.2 million of cash contributed from Company-owned stores that had not yet been expended.

As of December 29, 2019, advertising fund assets, restricted of $105.4 million consisted of $84.0 million of cash and cash equivalents, $15.3 million of accounts receivable and $6.1 million of prepaid expenses. As of December 29, 2019, advertising fund cash and cash equivalents included $3.5 million of cash contributed from U.S. Company-owned stores that had not yet been expended.

7. Leases

The Company leases certain retail store and supply chain center locations, supply chain vehicles and its corporate headquarters with expiration dates through 2041.

The components of operating and finance lease cost for the first quarter of 2020 and the first quarter of 2019 were as follows:

	Fiscal Quarter Ended	
	March 22, 2020	March 24, 2019
Operating lease cost	$ 9,582	$ 10,796
Finance lease cost:		
Amortization of right-of-use assets	249	254
Interest on lease liabilities	375	479
Total finance lease cost	$ 624	$ 733

Rent expense totaled $16.4 million in both the first quarter of 2020 and the first quarter of 2019, and includes operating lease cost, as well as expense for non-lease components including common area maintenance, real estate taxes and insurance for the Company’s real estate leases. Rent expense also includes the variable rate per mile driven and fixed maintenance charges for the Company’s supply chain center tractors and trailers and expense for short-term rentals. Variable rent expense and rent expense for short-term leases were immaterial in both the first quarter of 2020 and the first quarter of 2019.

Supplemental balance sheet information related to the Company’s finance leases as of March 22, 2020 and December 29, 2019 was as follows:

	March 22, 2020	December 29, 2019
Land and buildings	$ 25,167	$ 25,476
Accumulated depreciation and amortization	(8,083)	(7,846)
Finance lease assets, net	$ 17,084	$ 17,630
Current portion of long-term debt	$ 1,390	$ 1,394
Long-term debt, less current portion	17,616	18,263
Total principal payable on finance leases	$ 19,006	$ 19,657

As of March 22, 2020 and December 29, 2019, the weighted average remaining lease term and weighted average discount rate for the Company’s operating and finance leases were as follows:

	March 22, 2020		December 29, 2019	
	Operating Leases	Finance Leases	Operating Leases	Finance Leases
Weighted average remaining lease term	8 years	14 years	8 years	14 years
Weighted average discount rate	3.8%	11.7%	3.8%	11.7%

Supplemental cash flow information related to leases for the first quarter of 2020 and the first quarter of 2019 was as follows:

	Fiscal Quarter Ended	
	March 22, 2020	March 24, 2019
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 10,119	$ 10,690
Operating cash flows from finance leases	375	479
Financing cash flows from finance leases	349	155
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	8,982	12,977
Finance leases	—	—

Maturities of lease liabilities as of March 22, 2020 were as follows:

	Operating Leases	Finance Leases
2020	$ 33,683	$ 2,467
2021	40,956	2,775
2022	38,068	2,792
2023	32,776	2,815
2024	31,228	2,839
Thereafter	96,570	25,493
Total future minimum rental commitments	273,281	39,181
Less – amounts representing interest	(37,063)	(20,175)
Total lease liabilities	$236,218	$ 19,006

As of March 22, 2020, the Company has additional leases for two supply chain centers and certain supply chain tractors and trailers that had not yet commenced with estimated future minimum rental commitments of approximately $68.6 million. These leases are expected to commence in 2020 with lease terms of up to 21 years. One of the supply chain center leases commenced in the second quarter of 2020. These undiscounted amounts are not included in the table above.

The Company has guaranteed lease payments related to certain franchisees' lease arrangements. The maximum amount of potential future payments under these guarantees was $15.8 million as of March 22, 2020. The Company does not believe these arrangements have or are likely to have a material effect on its results of operations, financial condition, revenues, expenses or liquidity.

8. Supplemental Disclosures of Cash Flow Information

The Company had non-cash investing activities related to accruals for capital expenditures of $3.4 million at March 22, 2020 and $6.9 million at December 29, 2019.

9. New Accounting Pronouncements

Recently Adopted Accounting Standard

ASU 2016-13, Financial Instruments – Credit Losses (Topic 326)

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASC 326 requires companies to measure credit losses utilizing a methodology that reflects expected credit losses and requires a consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The Company adopted this standard as of December 30, 2019, the first day of its 2020 fiscal year, using the modified retrospective approach and it did not have a material impact on its condensed consolidated financial statements.

The effects of the changes made to the Company's condensed consolidated balance sheet as of December 30, 2019 for the adoption of ASC 326 were as follows:

	Balance at December 29, 2019	Adjustments Due to ASC 326	Balance at December 30, 2019
Assets			
Current assets:			
Accounts receivable, net	$ 210,260	$ 1,435	$ 211,695
Prepaid expenses and other	19,129	4	19,133
Other assets:			
Other assets	12,521	27	12,548
Deferred income taxes	10,073	(364)	9,709
Liabilities and stockholders' deficit			
Stockholders' deficit:			
Retained deficit	(3,412,649)	1,102	(3,411,547)

The Company recognized the cumulative effect of initially applying ASC 326 as an adjustment to the opening balance of retained deficit. The comparative information has not been restated and continues to be reported under the accounting standards in effect for that period. An adjustment to beginning retained deficit and a corresponding adjustment to the allowance for doubtful accounts and notes receivable of approximately $1.5 million was recorded on the date of adoption, representing the remeasurement of these accounts to Company's estimate for current expected credit losses. The adjustment to beginning retained deficit was also net of a $0.4 million adjustment to deferred income taxes.

Accounting Standards Not Yet Adopted

The Company has considered all new accounting standards issued by the FASB. The Company has not yet completed its assessment of the following standard.

ASU 2019-12, Income Taxes – Simplifying the Accounting for Income Taxes (Topic 740)

In December 2019, the FASB issued *Accounting Standard Update No. 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes (ASU 2019-12)*, which simplifies the accounting for income taxes. ASU 2019-12 is effective for fiscal years beginning after December 15, 2020, including applicable interim periods. The Company is currently assessing the impact of adopting this standard but does not expect the adoption of this guidance to have a material impact on its consolidated financial statements.

10. COVID-19 Pandemic

In December 2019, a novel coronavirus disease ("COVID-19") was reported and in January 2020, the World Health Organization ("WHO") declared it a Public Health Emergency of International Concern. On February 28, 2020, the WHO raised its assessment of the COVID-19 threat from high to very high at a global level due to the continued increase in the number of cases and affected countries, and on March 11, 2020, the WHO characterized COVID-19 as a pandemic. While the Company did not incur significant disruptions to its operations during the first quarter of 2020 from COVID-19, it is unable at this time to predict the impact that COVID-19 will have on its business, financial position and operating results in future periods due to numerous uncertainties and is closely monitoring the impact of the pandemic on all aspects of its business.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.
(Unaudited; tabular amounts in millions, except percentages and store data)

The 2020 and 2019 first quarters referenced herein represent the twelve-week periods ended March 22, 2020 and March 24, 2019.

Overview

Domino's is the largest pizza company in the world based on global retail sales, with more than 17,000 locations in over 90 markets around the world. Founded in 1960, our roots are in convenient pizza delivery, while a significant amount of our sales also come from carryout customers. Domino's generates revenues and earnings by charging royalties and fees to our independent franchisees. The Company also generates revenues and earnings by selling food, equipment and supplies to franchisees primarily in the U.S. and Canada, and by operating a number of our own stores in the U.S. Franchisees profit by selling pizza and other complementary items to their local customers. In our international markets, we generally grant geographical rights to the Domino's Pizza® brand to master franchisees. These master franchisees are charged with developing their geographical area, and they can profit by sub-franchising and selling ingredients and equipment to those sub-franchisees, as well as by running pizza stores directly. We believe that everyone in the system can benefit, including the end consumer, who can feed their family Domino's menu items conveniently and economically.

Our financial results are driven largely by retail sales at our franchise and Company-owned stores. Changes in retail sales are driven by changes in same store sales and store counts. We monitor both of these metrics very closely, as they directly impact our revenues and profits, and we strive to consistently increase both metrics. Retail sales drive royalty payments from franchisees, as well as Company-owned store and supply chain revenues. Retail sales are primarily impacted by the strength of the Domino's Pizza® brand, the results of our extensive advertising through various media channels, the impact of technological innovation and digital ordering, our ability to execute our strong and proven business model and the overall global economic environment.

	First Quarter of 2020		First Quarter of 2019	
Global retail sales growth (versus prior year period, excluding foreign currency impact)	+5.9%		+8.5%	
Same store sales growth (1):				
U.S. Company-owned stores	+3.9%		+2.1%	
U.S. franchise stores	+1.5%		+4.1%	
U.S. stores	+1.6%		+3.9%	
International stores (excluding foreign currency impact)	+1.5%		+1.8%	
Store counts (at end of period):				
U.S. Company-owned stores	345		392	
U.S. franchise stores	5,811		5,511	
U.S. stores	6,156		5,903	
International stores	10,933		10,211	
Total stores (2)	17,089		16,114	
Income statement data:				
Total revenues	$ 873.1	100.0%	$ 836.0	100.0%
Cost of sales	532.9	61.0%	513.7	61.4%
General and administrative	88.5	10.2%	89.7	10.7%
U.S. franchise advertising	95.8	11.0%	89.1	10.7%
Income from operations	155.8	17.8%	143.5	17.2%
Interest expense, net	(38.5)	(4.4)%	(34.4)	(4.1)%
Income before provision for income taxes	117.3	13.4%	109.1	13.1%
(Benefit) provision for income taxes	(4.3)	(0.5)%	16.5	2.0%
Net income	$ 121.6	13.9%	$ 92.7	11.1%

(1) Same store sales growth is calculated by including only sales for a given period from stores that had sales in the comparable weeks of both years. International same store sales growth is calculated similarly to U.S. same store sales growth. Changes in international same store sales are reported excluding foreign currency impacts, which reflect changes in international local currency sales.

(2) Temporary store closures due to COVID-19 in the first quarter of 2020 are not treated as store closures and affected stores are included in the ending store count.

During the first quarter of 2020, we experienced global retail sales growth. Our U.S. and international same store sales growth remained positive but was pressured by our current strategy to increase store concentration in certain markets where we compete. Beginning at the end of the first quarter of 2020 through the date of this filing, while we have seen an increase in U.S. same store sales, the COVID-19 pandemic has negatively impacted our global retail sales growth and, in our international business, same store sales growth due to temporary store closures and changes in operating procedures and store hours resulting from actions taken to increase social distancing across the markets in which we operate.

We continued our global expansion with the opening of 69 net new stores in the first quarter of 2020. Although we opened 143 gross new stores internationally, we also closed 104 stores, primarily resulting from the closure of our South Africa market, unrelated to COVID-19, comprising 71 stores in total. We also opened 30 net new stores in the U.S. during the first quarter of 2020. Overall, we believe our continued global store growth, along with our sales growth, emphasis on technology, operations, and marketing initiatives have combined to strengthen our brand.

Global retail sales, excluding foreign currency impact, which includes total retail sales at franchise and Company-owned stores worldwide, increased 5.9% in the first quarter of 2020. This increase was driven by an increase in worldwide store counts during the trailing four quarters as well as U.S. and international same store sales growth. U.S. same store sales growth reflected positive sales trends and the continued success of our products, marketing and technology platforms. International same store sales growth also reflected continued positive performance.

Total revenues increased $37.1 million, or 4.4%, in the first quarter of 2020 due primarily to higher supply chain food volumes as well as higher global franchise revenues resulting from retail sales growth. These increases in revenues were partially offset by lower U.S. Company-owned store revenues resulting from the sale of 59 Company-owned stores to certain of our existing U.S. franchisees during the second quarter of 2019 (the “2019 Store Sale”). These changes in revenues are described in more detail below.

Income from operations increased $12.3 million, or 8.6%, in the first quarter of 2020, primarily driven by higher royalty revenues from U.S. and international franchised stores, as well as higher supply chain margins. Income from operations was negatively impacted by lower Company-owned store margins and changes in foreign currency exchange rates in the first quarter of 2020.

Net income increased $29.0 million, or 31.2%, in the first quarter of 2020, driven by lower tax expense resulting primarily from higher excess tax benefits from equity-based compensation and higher income from operations, as noted above. This increase in net income was partially offset by higher interest expense resulting from a higher average debt balance following our recapitalization transaction completed on November 19, 2019 (the “2019 Recapitalization”).

Revenues

	First Quarter of 2020		First Quarter of 2019	
U.S. Company-owned stores	$102.3	11.7%	$123.5	14.8%
U.S. franchise royalties and fees	104.7	12.0%	96.7	11.6%
Supply chain	512.7	58.7%	472.1	56.4%
International franchise royalties and fees	57.5	6.6%	54.6	6.5%
U.S. franchise advertising	95.8	11.0%	89.1	10.7%
Total revenues	$873.1	100.0%	$836.0	100.0%

Revenues primarily consist of retail sales from our Company-owned stores, royalties, advertising contributions and fees from our U.S. franchised stores, royalties and fees from our international franchised stores and sales of food, equipment and supplies from our supply chain centers to substantially all of our U.S. franchised stores and certain international franchised stores. Company-owned store and franchised store revenues may vary from period to period due to changes in store count mix. Supply chain revenues may vary significantly from period to period as a result of fluctuations in commodity prices as well as the mix of products we sell.

U.S. Stores Revenues

	First Quarter of 2020		First Quarter of 2019	
U.S. Company-owned stores	$102.3	33.8%	$123.5	39.9%
U.S. franchise royalties and fees	104.7	34.6%	96.7	31.3%
U.S. franchise advertising	95.8	31.6%	89.1	28.8%
U.S. stores	$302.9	100.0%	$309.3	100.0%

U.S. Company-Owned Stores

Revenues from U.S. Company-owned store operations decreased $21.2 million, or 17.1%, in the first quarter of 2020 due primarily to the 2019 Store Sale. This decrease in revenues was partially offset by higher same store sales. Company-owned same store sales increased 3.9% in the first quarter of 2020 and 2.1% in the first quarter of 2019.

U.S. Franchise Royalties and Fees

Revenues from U.S. franchise royalties and fees increased $8.0 million, or 8.3%, in the first quarter of 2020 due primarily to higher same store sales and an increase in the average number of U.S. franchised stores open during the period, due to net store growth and, to a lesser extent, the 2019 Store Sale. U.S. franchise same store sales increased 1.5% in the first quarter of 2020 and 4.1% in the first quarter of 2019. U.S. franchise royalties and fees further benefited from an increase in revenues from fees paid by franchisees for the use of our technology platforms.

U.S. Franchise Advertising

Revenues from U.S. franchise advertising increased $6.7 million, or 7.5%, in the first quarter of 2020 due primarily to higher same store sales and an increase in the average number of U.S. franchised stores open during the period, due to net store growth and, to a lesser extent, the 2019 Store Sale.

Supply Chain

Revenues from supply chain operations are primarily comprised of sales of food, equipment and supplies from our supply chain centers to substantially all of our U.S. franchised stores and certain international franchised stores. Supply chain revenues increased $40.6 million, or 8.6%, in the first quarter of 2020. This increase was due primarily to higher volumes from increased orders resulting from an increase in the average number of U.S. franchise stores open during the year and an increase in market basket pricing to stores. Our market basket pricing to stores increased 2.9% during the first quarter of 2020, which resulted in an estimated $15.9 million increase in supply chain revenue.

International Franchise Royalties and Fee Revenues

Revenues from international franchise royalties and fees increased $2.9 million, or 5.3%, in the first quarter of 2020. This increase was due primarily to an increase in the average number of international stores open during the period and higher same store sales. The negative impact of changes in foreign currency exchange rates of $1.4 million partially offset the increase in revenues in the first quarter of 2020. International franchise same store sales increased 1.5% in the first quarter of 2020 and increased 1.8% in the first quarter of 2019.

Cost of Sales / Operating Margin

	First Quarter of 2020		First Quarter of 2019	
Consolidated revenues	$873.1	100.0%	$836.0	100.0%
Consolidated cost of sales	532.9	61.0%	513.7	61.4%
Consolidated operating margin	$340.2	39.0%	$322.3	38.6%

Cost of sales consists primarily of Company-owned store and supply chain costs incurred to generate related revenues. Components of consolidated cost of sales primarily include food, labor, delivery and occupancy costs.

Consolidated operating margin (which we define as revenues less cost of sales) increased $17.9 million, or 5.5%, in the first quarter of 2020 due primarily to higher global franchise revenues and higher supply chain volumes. Franchise revenues do not have a cost of sales component, so changes in these revenues have a disproportionate effect on the operating margin.

As a percentage of revenues, the consolidated operating margin increased 0.4 percentage points in the first quarter of 2020. Company-owned store operating margin decreased 0.2 percentage points in the first quarter of 2020 and supply chain operating margin increased 0.1 percentage points in the first quarter of 2020. These changes in margin are more fully discussed below.

U.S. Company-Owned Stores Operating Margin

	First Quarter of 2020		First Quarter of 2019	
Revenues	$102.3	100.0%	$123.5	100.0%
Cost of sales	79.4	77.6%	95.5	77.4%
Store operating margin	$ 22.9	22.4%	$ 27.9	22.6%

The U.S. Company-owned store operating margin (which does not include certain store-level costs such as royalties and advertising) decreased $5.0 million, or 17.8%, in the first quarter of 2020 due primarily to the 2019 Store Sale.

As a percentage of store revenues, the store operating margin decreased 0.2 percentage points in the first quarter of 2020, as discussed in more detail below.

- Food costs increased 0.7 percentage points to 27.8% in the first quarter of 2020 due primarily to higher food prices.
- Labor costs decreased 1.8 percentage points to 29.0% in the first quarter of 2020. The 2019 Store Sale contributed to the reduction in labor costs as a percentage of store revenues due to the high labor rates in the market in which the sold stores operated. The reduction in labor costs as a percentage of store revenues was partially offset by an increase in average labor rates in our remaining Company-owned store markets, including additional bonus pay resulting from the COVID-19 pandemic.
- Insurance costs increased 0.5 percentage points to 3.4% in the first quarter of 2020 due primarily to unfavorable claims experience.
- Delivery costs increased 0.4 percentage points to 3.6% in the first quarter of 2020 due primarily to a higher average per-mile reimbursement rate for our delivery drivers.
- Occupancy costs increased 0.4 percentage points to 8.0% in the first quarter of 2020 due primarily to higher depreciation costs.

Supply Chain Operating Margin

	First Quarter of 2020		First Quarter of 2019	
Revenues	$512.7	100.0%	$472.1	100.0%
Cost of sales	453.6	88.5%	418.1	88.6%
Supply chain operating margin	$ 59.1	11.5%	$ 54.0	11.4%

The supply chain operating margin increased $5.1 million, or 9.6%, in the first quarter of 2020, primarily driven by higher volumes from increased store orders. As a percentage of supply chain revenues, the supply chain operating margin increased 0.1 percentage points in the first quarter of 2020 due primarily to lower labor, delivery and insurance costs, offset in part by higher food costs.

General and Administrative Expenses

General and administrative expenses decreased $1.2 million, or 1.3%, in the first quarter of 2020, driven by lower performance-based compensation expense and lower advertising expenses, partially offset by higher health insurance costs. The decrease in advertising expenses resulted primarily from the 2019 Store Sale.

U.S. Franchise Advertising Expenses

U.S. franchise advertising expenses increased $6.7 million, or 7.5%, in the first quarter of 2020, consistent with the increase in U.S. franchise advertising revenue. U.S. franchise advertising costs are accrued and expensed when the related U.S. franchise advertising revenues are recognized, as our consolidated not-for-profit advertising fund is obligated to expend such revenues on advertising and these revenues cannot be used for general corporate purposes.

Interest Expense, Net

Interest expense, net increased $4.1 million, or 12.2%, in the first quarter of 2020 driven primarily by higher average debt balances resulting from the 2019 Recapitalization.

The Company’s weighted average borrowing rate decreased to 4.0% in the first quarter of 2020, from 4.1% in the first quarter of 2019, resulting from the lower interest rates on the debt outstanding in 2020 following the 2019 Recapitalization as compared to the same period in 2019.

(Benefit) Provision for Income Taxes

Income tax expense decreased $20.8 million, or 126.1%, in the first quarter of 2020 due primarily to higher excess tax benefits on equity-based compensation, which are recorded as a reduction to the income tax provision, partially offset by higher pre-tax income. The Company recognized $30.4 million in excess tax benefits in the first quarter of 2020 as compared to $8.7 million in the first quarter of 2019, resulting from a significant increase in stock options exercised in the first quarter of 2020 as compared to the first quarter of 2019. The effective tax rate decreased to negative 3.7% during the first quarter of 2020 as compared to 15.1% in the first quarter of 2019.

COVID-19 Impact

As of April 21, 2020, nearly all of our U.S. stores remain open, with dining rooms closed and stores deploying contactless delivery and carryout solutions. Based on information reported to us by our master franchisees, we estimate that as of April 21, 2020, there are approximately 1,750 international stores that are temporarily closed.

Subsequent to the end of the first quarter, we borrowed $158.0 million under our outstanding variable funding notes as a precautionary measure due to the market uncertainty arising from COVID-19. These borrowings, along with our current unrestricted cash as of the end of the first quarter, provided us with approximately $358.8 million in cash on hand to provide enhanced financial flexibility.

Beginning at the end of the first quarter of 2020, we have begun making significant investments in our team members as a result of this pandemic, including through enhanced sick pay policies and bonuses for our hourly corporate store and supply chain team members. While it is not possible at this time to estimate the full impact that COVID-19 could have on our business, the continued spread of COVID-19 and the measures taken by the governments of countries affected could disrupt our continuing operations and supply chain and, as a result, could adversely impact our business, financial condition or results of operations.

Liquidity and Capital Resources

Historically, we have operated with minimal positive working capital or negative working capital, primarily because our receivable collection periods and inventory turn rates are faster than the normal payment terms on our current liabilities. We generally collect our receivables within three weeks from the date of the related sale, and we generally experience 35 to 45 inventory turns per year. In addition, our sales are not typically seasonal, which further limits our working capital requirements. The use of our ongoing cash flows from operations to service our debt obligations, invest in our business, pay dividends and repurchase our common stock reduces our working capital amounts. As of March 22, 2020, we had working capital of $149.7 million, excluding restricted cash and cash equivalents of $189.4 million, advertising fund assets, restricted, of $110.0 million and advertising fund liabilities of $106.8 million. Working capital includes total unrestricted cash and cash equivalents of $200.8 million. Subsequent to the end of the first quarter, we borrowed $158.0 million under our outstanding variable funding notes as a precautionary measure due to the market uncertainty arising from COVID-19.

During the first quarter of 2020, we experienced increases in both U.S. and international same store sales versus the comparable period in the prior year. Additionally, our international and U.S. businesses grew store counts in the first quarter of 2020. These factors contributed to our continued ability to generate positive operating cash flows. We expect to continue to use our unrestricted cash and cash equivalents, cash flows from operations, excess cash from our recapitalization transactions and available borrowings under our variable funding notes to, among other things, fund working capital requirements, invest in our business, service our indebtedness, pay dividends and repurchase our common stock. We did not have any material commitments for capital expenditures as of March 22, 2020.

Based upon the current level of operations and anticipated growth, we believe that the cash generated from operations, our current unrestricted cash and cash equivalents and amounts available under our variable funding note facility will be adequate to meet our anticipated debt service requirements, capital expenditures and working capital needs for at least the next twelve months. Our ability to continue to fund these items and continue to reduce debt could be adversely affected by the occurrence of any of the events described under “Risk Factors” in our filings with the Securities and Exchange Commission. There can be no assurance that our business will generate sufficient cash flows from operations or that future borrowings will be available under the variable funding notes or otherwise to enable us to service our indebtedness, or to make anticipated capital expenditures. Our future operating performance and our ability to service, extend or refinance our fixed and floating rate notes and to service, extend or refinance our variable funding notes will be subject to future economic conditions and to financial, business and other factors, many of which are beyond our control.

Restricted Cash

As of March 22, 2020, we had approximately $140.1 million of restricted cash held for future principal and interest payments and other working capital requirements of our asset-backed securitization structure, $48.4 million of restricted cash held in a three-month interest reserve as required by the related debt agreements and $0.9 million of other restricted cash for a total of $189.4 million of restricted cash and cash equivalents. As of March 22, 2020, we also held $88.2 million of advertising fund restricted cash and cash equivalents, which can only be used for activities that promote the Domino’s brand.

Long-Term Debt

As of March 22, 2020, we had approximately $4.10 billion of long-term debt, of which $43.4 million was classified as a current liability. Our fixed and floating rate notes from the recapitalizations we completed in 2019, 2018, 2017 and 2015 have original scheduled principal payments of $31.5 million in the remainder of 2020, $42.0 million in 2021, $897.0 million in 2022, $33.0 million in each of 2023 and 2024, $1.15 billion in 2025, $20.8 million in 2026, $1.28 billion in 2027, $6.8 million in 2028 and $614.3 million in 2029. As of March 22, 2020, we had no outstanding borrowings under our variable funding notes and $158.6 million available for borrowing, net of letters of credit issued of $41.4 million. The letters of credit are primarily related to our casualty insurance programs and supply chain center leases. As discussed above, subsequent to the first quarter of 2020, we borrowed $158.0 million of the remaining availability under our variable funding notes. Borrowings under the variable funding notes are available to fund our working capital requirements, capital expenditures and, subject to other limitations, other general corporate purposes including dividend payments and share repurchases.

Share Repurchase Programs

Our share repurchase programs have historically been funded by excess operating cash flows, excess proceeds from our recapitalization transactions and borrowings under our variable funding notes.

During the first week of the first quarter of 2020, we repurchased and retired 271,064 shares of our common stock under our Board of Directors-approved share repurchase program for a total of approximately $79.6 million. The Company's Board of Directors authorized a share repurchase program to repurchase up to $1.0 billion of the Company's common stock on October 4, 2019. As of March 22, 2020, the Company had a total remaining authorized amount for share repurchases of approximately $326.6 million.

During the first quarter of 2019, we repurchased and retired 33,549 shares for approximately $8.1 million.

Dividends

On February 19, 2020, the Company's Board of Directors declared a $0.78 per share quarterly dividend on its outstanding common stock for shareholders of record as of March 13, 2020 which was paid on March 30, 2020. We had approximately $31.0 million accrued for common stock dividends at March 22, 2020.

Subsequent to the first quarter, on April 21, 2020, the Company's Board of Directors declared a $0.78 per share quarterly dividend on its outstanding common stock for shareholders of record as of June 15, 2020 to be paid on June 30, 2020.

The following table illustrates the main components of our cash flows:

(In millions)	First Quarter of 2020	First Quarter of 2019
Cash Flows Provided By (Used In)		
Net cash provided by operating activities	$ 95.4	$ 97.0
Net cash used in investing activities	(17.9)	(12.0)
Net cash used in financing activities	(82.1)	(55.1)
Exchange rate changes	(1.0)	0.1
Change in cash and cash equivalents, restricted cash and cash equivalents	$ (5.6)	$ 30.0

Operating Activities

Cash provided by operating activities decreased $1.6 million in the first quarter of 2020 due to the negative impact of changes in operating assets and liabilities of $32.2 million, partially offset by an increase in net income of $29.0 million and higher non-cash amounts of $1.6 million. The negative impact of changes in operating assets and liabilities was primarily related to the timing of payments on accounts payable and accrued liabilities in 2020 as well as the timing of collections on accounts receivable in 2020 as compared to 2019. These negative impacts of changes in operating assets and liabilities were partially offset by the positive impact of changes in advertising fund assets and liabilities, restricted in 2020 as compared to 2019, due primarily to the timing of advertising spend.

Investing Activities

Cash used in investing activities was $17.9 million in the first quarter of 2020, which consisted primarily of $17.5 million of capital expenditures (driven primarily by investments in technological initiatives and supply chain centers).

Cash used in investing activities was $12.0 million in the first quarter of 2019, which consisted primarily of $12.2 million of capital expenditures (driven primarily by investments in technological initiatives and supply chain centers).

Financing Activities

Cash used in financing activities was $82.1 million in the first quarter of 2020, primarily related to the repurchase of approximately $79.6 million in common stock under our Board of Directors-approved share repurchase program in the first week of the quarter, repayments of long-term debt of $10.8 million and tax payments for restricted stock upon vesting of $1.8 million. These uses of cash were partially offset by proceeds from the exercise of stock options of $10.1 million.

Cash used in financing activities was $55.1 million in the first quarter of 2019, primarily related to repayments of long-term debt of $49.0 million (of which $40.0 million related to the repayment of borrowings under our variable funding notes) and the repurchase of approximately $8.1 million in common stock under our Board of Directors-approved share repurchase program.

Forward-Looking Statements

This filing contains various forward-looking statements about the Company within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act") that are based on current management expectations that involve substantial risks and uncertainties which could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements. The following cautionary statements are being made pursuant to the provisions of the Act and with the intention of obtaining the benefits of the "safe harbor" provisions of the Act. You can identify forward-looking statements by the use of words such as "anticipates," "believes," "could," "should," "estimates," "expects," "intends," "may," "will," "plans," "predicts," "projects," "seeks," "approximately," "potential," "outlook" and similar terms and phrases that concern our strategy, plans or intentions, including references to assumptions. These forward-looking statements address various matters including information concerning future results of operations and business strategy, our anticipated profitability, estimates in same store sales growth, the growth of our U.S. and international business, ability to service our indebtedness, our future cash flows, our operating performance, trends in our business and other descriptions of future events reflect the Company's expectations based upon currently available information and data. While we believe these expectations and projections are based on reasonable assumptions, such forward-looking statements are inherently subject to risks, uncertainties and assumptions. Important factors that could cause actual results to differ materially from our expectations are more fully described under the section headed "Risk Factors" in this filing and in our other filings with the Securities and Exchange Commission, including under the section headed "Risk Factors" in our 2019 Form 10-K. Actual results may differ materially from those expressed or implied in the forward-looking statements as a result of various factors, including but not limited to: our substantial increased indebtedness as a result of our recapitalization transactions and our ability to incur additional indebtedness or refinance or renegotiate key terms of that indebtedness in the future; the impact a downgrade in our credit rating may have on our business, financial condition and results of operations; our future financial performance and our ability to pay principal and interest on our indebtedness; the effectiveness of our advertising, operations and promotional initiatives; the strength of our brand, including our ability to compete in the U.S. and internationally in our intensely competitive industry, including the food service and food delivery markets; our ability to manage difficulties associated with or related to the COVID-19 pandemic and the effects of COVID-19 on our business and supply chain; the impact of social media and other consumer-oriented technologies on our business, brand and reputation; new product, digital ordering and concept developments by us, and other food-industry competitors; the impact of new or improved technologies and alternative methods of delivery on consumer behavior; our ability to maintain good relationships with and attract new franchisees, and franchisees' ability to profitably manage their operations without negatively impacting our brand's reputation; our ability to successfully implement cost-saving strategies; our ability and that of our franchisees to successfully operate in the current and future credit environment; changes in the level of consumer spending given general economic conditions, including interest rates, energy prices and consumer confidence; our ability and that of our franchisees to open new restaurants and keep existing restaurants in operation; changes in operating expenses resulting from changes in prices of food (particularly cheese), fuel and other commodity costs, labor, utilities, insurance, employee benefits and other operating costs; the impact that widespread illness, health epidemics or general health concerns, severe weather conditions and natural disasters may have on our business and the economies of the countries where we operate; changes in foreign currency exchange rates; our ability to retain or replace our executive officers and other key members of management and our ability to adequately staff our stores and supply chain centers with qualified personnel; our ability to find and/or retain suitable real estate for our stores and supply chain centers; changes in government legislation and regulations, including changes in laws and regulations regarding information privacy, payment methods consumer protection and social media; adverse legal judgments or settlements; food-borne illness or contamination of products; data breaches, power loss, technological failures, user error or other cyber risks threatening us or our franchisees; the effect of war, terrorism, catastrophic events or climate change; our ability to pay dividends and repurchase shares; changes in consumer preferences, spending and traffic patterns and demographic trends; actions by activist investors; changes in accounting policies; and adequacy of our insurance coverage. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this filing might not occur. All forward-looking statements speak only as of the date of this filing and should be evaluated with an understanding of their inherent uncertainty. Except as required under federal securities laws and the rules and regulations of the Securities and Exchange Commission, or other applicable law, we will not undertake, and specifically disclaim, any obligation to publicly update or revise any forward-looking statements to reflect events or circumstances arising after the date of this filing, whether as a result of new information, future events or otherwise. You are cautioned not to place undue reliance on the forward-looking statements included in this filing or that may be made elsewhere from time to time by, or on behalf of, us. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market Risk

We do not engage in speculative transactions nor do we hold or issue financial instruments for trading purposes. In connection with the recapitalizations of our business, we issued fixed and floating rate notes and entered into variable funding notes and, at March 22, 2020, we are exposed to interest rate risk on borrowings under our floating rate notes and variable funding notes. As of March 22, 2020, we had no outstanding borrowings under our variable funding notes. Subsequent to the first quarter of 2020, we borrowed $158.0 million of the remaining availability under our variable funding notes. Our floating rate notes and our variable funding notes bear interest at fluctuating interest rates based on LIBOR.

There is currently uncertainty around whether LIBOR will continue to exist after 2021. If LIBOR ceases to exist, we may need to renegotiate our loan documents and we cannot predict what alternative index would be negotiated with our lenders. As a result, our interest expense could increase, in which event we may have difficulties making interest payments and funding our other fixed costs, and our available cash flow for general corporate requirements may be adversely affected.

Our fixed rate debt exposes the Company to changes in market interest rates reflected in the fair value of the debt and to the risk that the Company may need to refinance maturing debt with new debt at a higher rate.

We are exposed to market risks from changes in commodity prices. During the normal course of business, we purchase cheese and certain other food products that are affected by changes in commodity prices and, as a result, we are subject to volatility in our food costs. We may periodically enter into financial instruments to manage this risk. We do not engage in speculative transactions or hold or issue financial instruments for trading purposes. In instances when we use fixed pricing agreements with our suppliers, these agreements cover our physical commodity needs, are not net-settled and are accounted for as normal purchases.

We have exposure to various foreign currency exchange rate fluctuations for revenues generated by our operations outside the U.S., which can adversely impact our net income and cash flows. Approximately 6.6% of our total revenues in the first quarter of 2020 and approximately 6.5% of our total revenues in the first quarter of 2019 were derived from our international franchise segment, a majority of which were denominated in foreign currencies. We also operate dough manufacturing and distribution facilities in Canada, which generate revenues denominated in Canadian dollars. We do not enter into financial instruments to manage this foreign currency exchange risk. A hypothetical 10% adverse change in the foreign currency rates for our international markets would have resulted in a negative impact on royalty revenues of approximately $5.1 million in the first quarter of 2020.

Item 4. Controls and Procedures.

Management, with the participation of the Company’s Chief Executive Officer, Richard E. Allison, Jr., and Executive Vice President and Chief Financial Officer, Jeffrey D. Lawrence, performed an evaluation of the effectiveness of the Company’s disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report. Based on that evaluation, Mr. Allison and Mr. Lawrence concluded that the Company’s disclosure controls and procedures were effective.

During the quarterly period ended March 22, 2020, there were no changes in the Company’s internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) that have materially affected or are reasonably likely to materially affect the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

We are a party to lawsuits, revenue agent reviews by taxing authorities and administrative proceedings in the ordinary course of business which include, without limitation, workers' compensation, general liability, automobile and franchisee claims. We are also subject to suits related to employment practices as well as intellectual property, including patents.

On February 14, 2011, Domino's Pizza LLC was named as a defendant in a lawsuit along with Fischler Enterprises of C.F., Inc., a franchisee, and Jeffrey S. Kidd, the franchisee's delivery driver, filed by Yvonne Wiederhold, the plaintiff, as Personal Representative of the Estate of Richard E. Wiederhold, deceased. The case involved a traffic accident in which the franchisee's delivery driver is alleged to have caused an accident involving a vehicle driven by Richard Wiederhold. Mr. Wiederhold sustained spinal injuries resulting in quadriplegia and passed away several months after the accident. The case went to trial in 2016 and the Company was found liable, but the verdict was reversed by the Florida Fifth District Court of Appeals in May 2018 and was remanded to the Ninth Judicial Circuit Court of Florida for a new trial. The case was tried again in June 2019 and the jury returned a $9.0 million judgment for the plaintiff where the Company and Mr. Kidd were found to be 100% liable (after certain offsets and other deductions the final verdict was $8.0 million). The Company continues to deny liability and has filed an appeal.

While we may occasionally be party to large claims, including class action suits, we do not believe that any existing matters, individually or in the aggregate, will materially affect our financial position, results of operations or cash flows.

Item 1A. Risk Factors.

Except as set forth below, there have been no material changes with respect to those risk factors previously disclosed in Item 1A "Risk Factors" in Part I of our 2019 Form 10-K.

Our operations and results could be adversely affected by the recent outbreak of the disease caused by the novel coronavirus (COVID-19).

The recent outbreak of disease caused by the novel coronavirus (COVID-19), which has been declared a pandemic by the World Health Organization, has spread across the globe and is impacting worldwide economic activity. A public health pandemic such as COVID-19 poses the risk that we and/or our employees, franchisees, supply chain centers, suppliers, customers and other partners may be, or may continue to be, prevented from conducting business activities for an indefinite period of time, including due to shutdowns, travel restrictions, social distancing requirements, stay at home orders and advisories and other restrictions that have been or may be suggested or mandated by governmental authorities, or due to the impact of the disease itself on the workforce of those businesses. In addition, COVID-19 may impact the willingness of customers to purchase food prepared outside of the home. The COVID-19 pandemic may also have the effect of heightening many of the other risks described in the ''Risk Factors'' section of our 2019 Form 10-K, including but not limited to those relating to our growth strategy, our supply chain and increased food and labor costs, disruption in operations, loss of key employees, our indebtedness, general economic conditions and our international operations.

In response to governmental requirements, we and our franchisees have, among other measures, temporarily closed certain of our stores, modified certain stores' hours and closed locations to in-store dining, and continue to monitor additional developments. We have also made additional operating changes to respond to changes in consumer behavior resulting from COVID-19. While it is not possible at this time to estimate the impact that COVID-19 could have on our business, the continued spread of the virus and the measures taken by governments or by us in response have disrupted our operations and could disrupt our supply chain, including our access to face coverings and gloves for use in our operations, which could adversely impact our business, financial condition and results of operations. The COVID-19 pandemic and mitigation measures have also had an adverse impact on global economic conditions, which could have an adverse effect on our business and financial condition. The Company's sales and operating results may be affected by uncertain or changing economic and market conditions arising in connection with and in response to the COVID-19 pandemic, including inflation, deflation, prolonged weak consumer demand, political instability or other changes. The significance of the operational and financial impact to the Company will depend on how long and widespread the disruptions caused by COVID-19, and the corresponding response to contain the virus and treat those affected by it, prove to be.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

c. Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program (2)	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (in thousands)
Period #1 (December 30, 2019 to January 26, 2020)	272,092	$ 293.62	271,064	$ 326,552
Period #2 (January 27, 2020 to February 23, 2020)	2,093	272.41	—	326,552
Period #3 (February 24, 2020 to March 22, 2020)	2,763	342.55	—	326,552
Total	276,948	$ 293.95	271,064	$ 326,552

(1) 5,884 shares in the first quarter of 2020 were purchased as part of the Company’s employee stock payroll deduction plan. During the first quarter, the shares were purchased at an average price of $309.02.

(2) As of March 22, 2020, the Company had a Board of Directors-approved share repurchase program for up to $1.0 billion of our common stock, of which $326.6 million remained available for future purchases of our common stock. Authorization for the repurchase program may be modified, suspended, or discontinued at any time. The repurchase of shares in any particular period and the actual amount of such purchases remain at the discretion of the Board of Directors, and no assurance can be given that shares will be repurchased in the future.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description
10.1	Third Addendum to Amended and Restated Employment Agreement dated as of January 30, 2020 by and among Domino’s Pizza, Inc., Domino’s, Inc., Domino’s Pizza LLC and David A. Brandon.
31.1	Certification by Richard E. Allison, Jr. pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, relating to Domino’s Pizza, Inc.
31.2	Certification by Jeffrey D. Lawrence pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, relating to Domino’s Pizza, Inc.
32.1	Certification by Richard E. Allison, Jr. pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, relating to Domino’s Pizza, Inc.
32.2	Certification by Jeffrey D. Lawrence pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, relating to Domino’s Pizza, Inc.
101.INS	XBRL Instance Document – The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
104	Cover page Interactive Data File (formatted as Inline XBRL and contained in exhibit 101).

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

	DOMINO'S PIZZA, INC. (Registrant)
Date: April 23, 2020	/s/ Jeffrey D. Lawrence
	Jeffrey D. Lawrence Executive Vice President, Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 10.1

THIRD ADDENDUM TO
AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS THIRD ADDENDUM to the Amended and Restated Employment Agreement (as amended, the "Agreement") that was effective as of January 1, 2008, as amended on February 25, 2010, June 22, 2018 and December 29, 2018, among David A. Brandon (the "Executive") and Domino's Pizza, Inc. (the "Company"), Domino's, Inc. ("DI") and Domino's Pizza LLC ("DPLLC" and together with DI, the "Principal Subsidiaries") is executed among the Company, the Principal Subsidiaries and the Executive, and is effective as of January 30, 2020 (this "Addendum").

Recitals

WHEREAS, the parties desire to amend certain obligations contained in the Employment Agreement as set forth herein;

NOW THEREFORE, in consideration of the premises and mutual agreements set forth herein, and in the Agreement, the parties hereto agree as follows.

Addendum

1. The defined terms set forth in the Agreement and Recitals above are incorporated by reference in this Addendum.

2. Appendix A is hereby deleted in its entirety and replaced with the following:

> The Payment described in Section 4.5.3 of the Employment Agreement will be based on the annual cost of (a) Medicare supplemental coverage (inclusive of Part B premiums) elected by the Executive, (b) individual market coverage (for clarification purposes, this shall include medical insurance coverage, prescription medicine coverage, dental insurance coverage and vision insurance coverage) elected by the Executive's spouse, and once she becomes Medicare-eligible, the cost of her Medicare supplemental coverage, (c) the cost of the annual membership fee to join a physician group, described at times as "concierge medicine" or "membership medicine," (d) seventy-five percent (75%) of the out-of-pocket costs not covered by the policies contemplated under (a) and (b) (including but not limited to deductibles, copayments and coinsurance for those items covered by a medical, prescription drug, dental or vision plan) as well as other health care expenses for services that are medically necessary but are excluded from coverage by the individual market plan or by Medicare (inclusive of medical, prescription drug, dental or vision expenses) (for the avoidance of doubt, the Executive or Executive's spouse shall pay the remaining twenty-five percent (25%) of such costs), and (e) the cost of any third-party resource retained by the Executive and/or the Executive's spouse to assist them in reviewing, evaluating and securing such healthcare coverage and to manage payments and act as advocates on claims for the Executive and/or the Executive's spouse; provided, that in no event shall the amount of the Payment by the Company exceed $150,000 per year, subject to the increase for inflation described below. For item (d) above, health care expenses that are excluded from coverage by the individual market plan or by Medicare should be substantiated with an explanation of benefits (EOB) or other document from the insurer stating the expense is not covered under the terms of the applicable plan, where possible without negative impact to the Executive or spouse. Starting for calendar 2023, such $150,000 Payment limit shall be increased automatically by three percent (3%) once for every five (5) year period that the Payment is in effect for the Executive and/or the Executive's Spouse.

> By October 15th of each year, the Executive and/or his spouse shall notify the Company of the coverage they have elected for the following year or request the assistance of the Company resource in choosing such coverage. The Company will then make the payment of the Payment in two installments. The first installment, which will equal to the annual cost of the items described in subsections (a), (b), (c) and (e) above, will be made by February 1st of each year, provided that the Executive and/or his spouse have provided documentation of such expenses by January 10th of that year. If receipt of such documentation is delayed, the first installment of the Payment will be equally delayed. The second installment of the Payment will cover any expenses covered under subsection (d) above and will be paid by the Company on or before December 31st of each year provided that the Executive or his spouse has delivered supporting documentation (including an Explanation of Benefits from Medicare or the individual market coverage as well as the document showing the substantiation described above) of such expenses on or before December 1st of that year. Again, if receipt of such documentation is delayed, the second installment of the Payment will be equally delayed. The Company will issue a Form 1099 to the Executive and/or his spouse on an annual basis covering the Payment made during each calendar year.
>
> Receipt of the Payment is not conditioned on the Executive and his spouse agreeing to use the Payment to purchase health insurance or certifying or substantiating that they have done so. The amount of the Payment for any year shall not affect the amount of the Payment for a subsequent year, and the right to payment of the Payment shall not be subject to liquidation or exchange for any other benefit.

3. Any provisions in the Agreement not revised herein shall remain in full force and effect.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Addendum has been executed on behalf of the Company and the Principal Subsidiaries by their respective duly authorized representatives and by the Executive, as of the date first above written.

THE COMPANY:

DOMINO'S PIZZA, INC.

By: /s/ Richard E. Allison, Jr.
Name: Richard E. Allison, Jr.
Title: Chief Executive Officer

PRINCIPAL SUBSIDIARIES:

DOMINO'S, INC.

By: /s/ Richard E. Allison, Jr.
Name: Richard E. Allison, Jr.
Title: Chief Executive Officer

DOMINO'S PIZZA LLC

By: /s/ Richard E. Allison, Jr
Name: Richard E. Allison, Jr.
Title: Chief Executive Officer

THE EXECUTIVE:

By: /s/ David A. Brandon
Name: **David A. Brandon**

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER, DOMINO'S PIZZA, INC.

I, Richard E. Allison, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Domino's Pizza, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

April 23, 2020	/s/ Richard E. Allison, Jr.
Date	Richard E. Allison, Jr.
	Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER, DOMINO’S PIZZA, INC.

I, Jeffrey D. Lawrence, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Domino’s Pizza, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

April 23, 2020	/s/ Jeffrey D. Lawrence
Date	Date Jeffrey D. Lawrence
	Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Domino's Pizza, Inc. (the "Company") on Form 10-Q for the period ended March 22, 2020, as filed with the Securities and Exchange Commission (the "Report"), I, Richard E. Allison, Jr., Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Richard E. Allison, Jr.
Richard E. Allison, Jr.
Chief Executive Officer

Dated: April 23, 2020

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Domino's Pizza, Inc. and will be retained by Domino's Pizza, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Domino’s Pizza, Inc. (the “Company”) on Form 10-Q for the period ended March 22, 2020, as filed with the Securities and Exchange Commission (the “Report”), I, Jeffrey D. Lawrence, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeffrey D. Lawrence
Jeffrey D. Lawrence
Chief Financial Officer

Dated: April 23, 2020

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Domino’s Pizza, Inc. and will be retained by Domino’s Pizza, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.