



presto

# Next Generation Enterprise Grade AI and Automation Solutions

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for the Restaurant Industry

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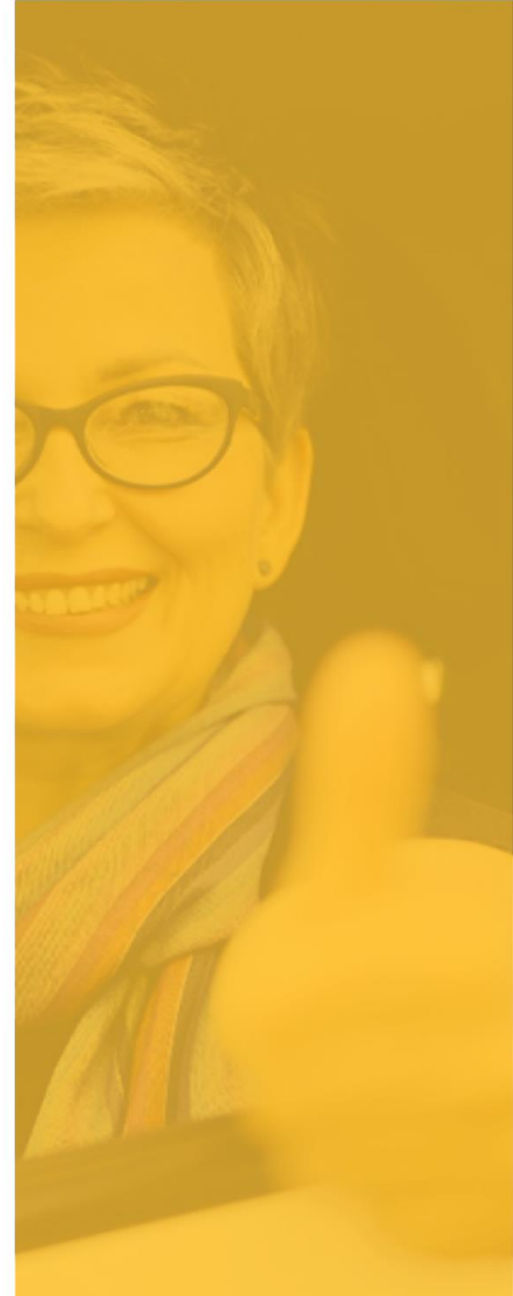
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## Our Customers' Challenges

The **QSR** and **Casual Dining** segments are experiencing:

- High labor costs
- High staff turnover
- A need to drive higher order values
- A need to drive loyalty and engagement
- A need to drive labor efficiency

**1M**

Over 1 million job openings in the restaurant industry in the US

## Our Technology Solutions

To support our customers with these challenges, **we offer two solutions:**



### Presto Voice

Our Voice AI product for QSR drive-thru operators



### Presto Touch

Our pay-at-table tablet solutions for Casual Dining chain

**58%**

of US restaurant operators say they will use technology-enabled solutions to address these issues

## Our Market Opportunity

We currently hold a \$17m **'expandable revenue opportunity'** on Presto Voice if we deploy with franchisees that have currently signed a master service or pilot agreement.

We currently hold a \$100m+ **'approachable' revenue opportunity** on Presto Voice if we deploy at locations of restaurant groups where have a master service or pilot agreement.

**\$3.0B**

We have a \$3.0B serviceable addressable market size in USA and Canada for our two solutions<sup>1</sup>

## Our Current Customers

Some of the **most recognized** restaurant groups in the USA are among our Presto Voice and Presto Touch customers, including:



We are well-placed to scale with our current customers with their complex and diverse ownership models

# Presto Automation provides enterprise-grade AI and automation solutions to the restaurant technology industry

Number of QSR and casual dining stores in USA and Canada

**330K**

...all of which are addressable for AI-led solutions

Number of addressable<sup>1</sup> QSR & casual dining brands in USA and Canada

**~300**

...all of which are direct customers that could purchase AI-led solutions

Proportion of stores with drive-thru lanes

**40%**

...make up the specific locations that are applicable for **Presto's Voice** product

There is a material underlying market opportunity for Presto across the QSR and casual dining sectors in USA and Canada

Number of QSR and casual dining visits per year in USA and Canada

**~25B**

...are the total number of visits that could be transformed through automation

Number of employees in QSR and casual dining restaurants

**5.5M**

...Number of employees in QSR and casual dining restaurants in USA and Canada

Serviceable addressable market size

**\$3.0B**

...is the USA and Canada revenue opportunity available to Presto<sup>2</sup>



# Restaurants are facing operational challenges in retaining and training staff while seeking to drive top-line growth

As the restaurant industry has expanded, operating challenges have also grown



## High Labor Cost

Labor costs have historically accounted for **approximately 30% of sales**<sup>1</sup> in restaurants, and recent labor inflation has exacerbated the challenge.



## Need to Achieve High Efficiency in the Drive-thru

Restaurants are seeking **lower wait time** and order-handle time to improve overall efficiency and guest satisfaction.



## High Staff Turnover

The restaurant industry has struggled to retain workers and has experienced consistently high turnover rates (**83% in 2022**),<sup>2</sup> resulting to high job opening rates compared to other industries (a total of **1 million job openings in June 2023**).



## Need to Generate Higher Average Order Values

**Generating upsell is a key lever** for increasing order size, however, restaurant employees often attempt upsells inconsistently, with mixed results.



## Need to Drive Loyalty and Engagement

Restaurants are looking to drive engagement to generate repeat visits and higher check sizes, with some restaurants seeing actively engaged customers **increase spend by 35%** compared to pre-loyalty behavior<sup>3</sup>.



To support our customers with their operational challenges, we offer two solutions: Our growth engine **Presto Voice** and our legacy solution **Presto Touch**



### Presto Voice

Voice AI product, for Quick Service Restaurant (QSR) drive-thru operators

Generates **increased revenue** for operators through more **consistent upsell**, and allows **restaurant staff to be utilized** in the restaurant to drive **customer satisfaction and in-store revenue**



### Presto Touch

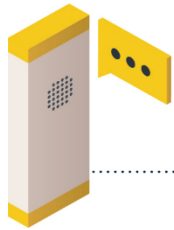
Pay-at-table tablet solution for casual dining chains

Touch allows restaurants to **operate with fewer staff**, enabling **servers to cater to more tables** while equipping restaurants with **valuable guest insights**



# Presto Voice relies on an innovative combination of machine learning and human collaboration to accurately collect customer orders and feed through to the restaurant POS

## THE KEY ELEMENTS OF OUR AI TECHNOLOGY SOLUTION CONSIST OF:



### The Presto box

Our Presto box has a speaker post and microphone to capture spoken orders for processing in complex environments.



### Automatic Speech Recognition (ASR) engine

Deciphers spoken orders and converts into text for processing.



### Natural Language Understanding (NLU) technology

Analyzes text and deciphers the meaning to best identify the chosen menu item and follow-up response.



### Human-in-the-Loop (HITL)

Our solutions use a common approach referred to as HITL to ensure the desired level of accuracy in order taking is achieved. Our systems currently use a Presto human agent to enter, review and correct order received by Presto Voice and make sure we guarantee industry leading levels of accuracy.



### Text-to-Speech (TTS) engine

Converts the text output into a human-like voice for interaction with guests.

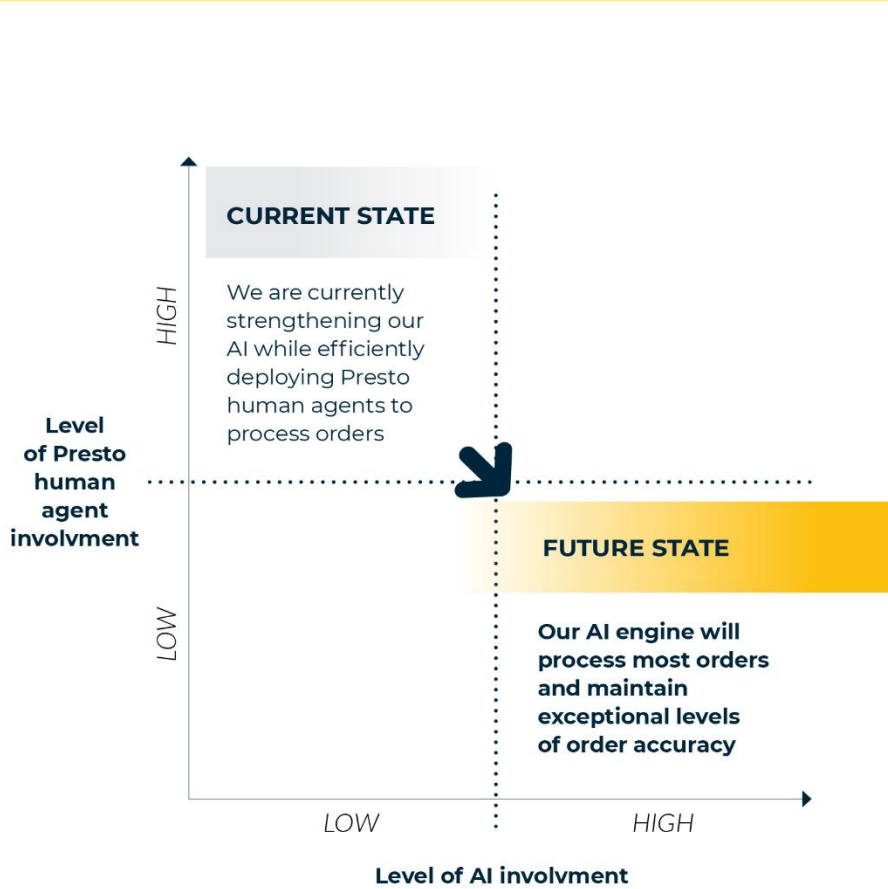


### Restaurant point of sale (POS) system

Generated orders are populated into the restaurant's POS system, before being processed into the restaurant's Kitchen Display System.



# Presto's Voice AI technology solution will learn over time, resulting in increasing levels of AI automation and decreasing levels of Presto human agents



## WE WILL GET TO OUR FUTURE STATE IN THE FOLLOWING WAYS:



Firstly, orders completed by Presto human agents may be used as **training data for our NLU**, which will **improve its efficacy over time.**



Secondly, **the NLU will improve its effectiveness** as the system adapts to restaurant specific menus and food items and learns from past successful and failed orders.





# Presto Voice allows restaurant staff to be utilized in-store to drive customer value, while improving drive-thru throughput and check size

## PRESTO VOICE HAS FOUR KEY BENEFITS FOR CUSTOMERS:



### Improved utilization of labor

Allows restaurant staff to be utilized in the restaurant to improve customer satisfaction and drive in-store revenue



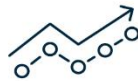
### Reduction in staff vacancies, and need to upskill new recruits

Results in lower recruitment and staff training costs as restaurants are less reliant on staff for the drive-thru from immediate, high-quality operations.



### Consistent drive-thru throughput and order accuracy

Our technology-human interface results in more accurate orders, operated at a more consistent rate, resulting in consistent throughput in the drive-thru lane.



### Incremental revenue for consistent and effective upselling

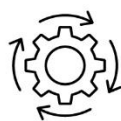
We offer upsells on approximately 80% of drive-thru orders and they are accepted by guests 35% of the time, resulting in increased revenue





# We are highly differentiated compared to our competitors, meaning we are well-positioned to scale across our prospective customer base

We have **several competitive strengths** that will enable us to grow our market position



## Industry-Leading Technology Platforms

Our technology **comprehensively addresses the key challenges** of restaurant operators, and seamlessly integrates into a restaurant's existing technology stack - including enabling **multiple back-end integrations and complex menu management**.



## Proprietary Technology-Human Interface

Our technology-human interface **delivers industry-leading levels of accuracy and order delivery time** required to operate a high-yield drive-thru business.



## Proven Ability to Scale Our Platforms for Our Customers

Over the past 15 years, Presto has developed **the knowledge and tools to install, roll-out, integrate and educate** restaurant operators through deploying over **277,000 Presto Touch tablets across three diverse customers**.





## Business Model That is "Sticky" and High Growth

We typically engage in pilot programs to demonstrate ROI, while customizing and familiarizing restaurant management with our capabilities. When we sign MSAs, we **generate a high level of adoption resulting in large switching costs**.



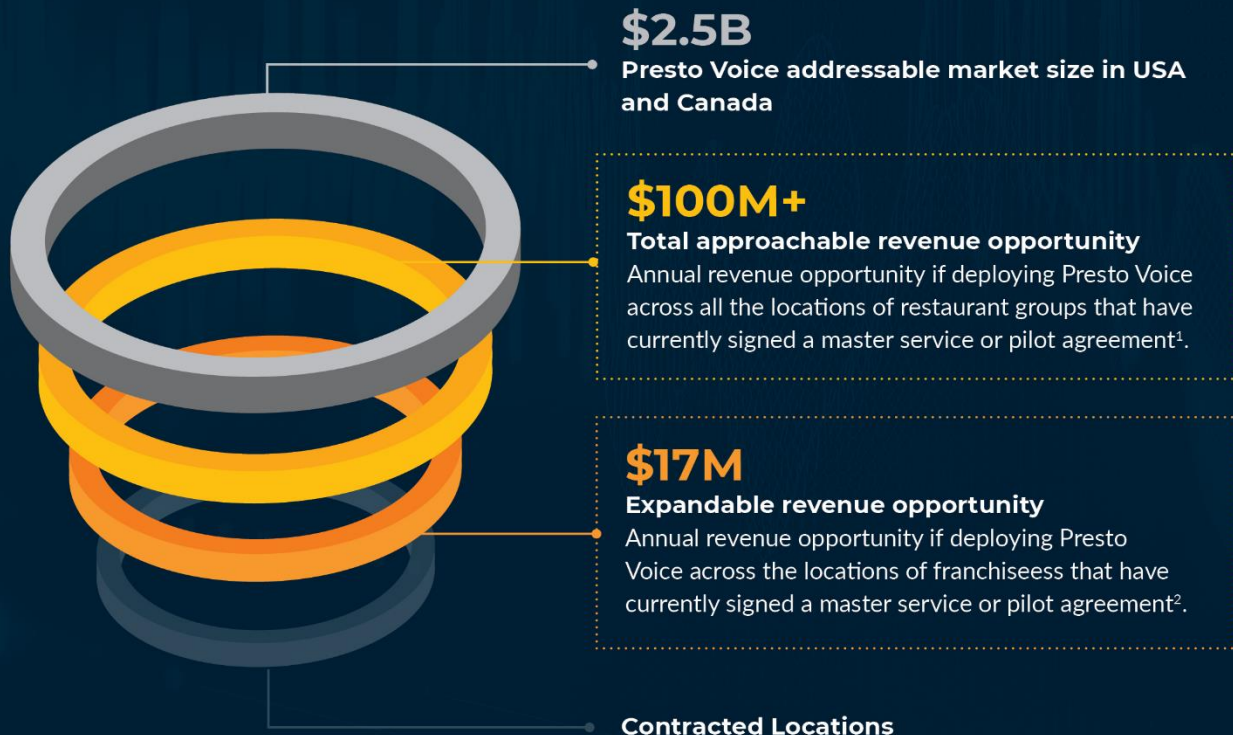
**Presto Voice** has since signed pilots and MSAs with other **leading QSR chains**, with several customers actively being engaged

	ACTIVE ENGAGEMENT	SIGN PILOT	DEPLOY PILOT	SIGN MSA	ROLL OUT	Total number of stores in USA and Canada <sup>1</sup> <i>Presto's opportunity at 100% penetration across logos</i>
	✓	✓	✓	✓	✓	2,750
	✓	✓	✓	✓	✓	600
	✓	✓	✓	(✓)	-	350
<b>BRAND A</b> ANONYMOUS	✓	✓	-	-	-	1050
<b>BRAND B</b> ANONYMOUS	✓	✓	-	-	-	850
<b>BRAND C</b> ANONYMOUS	✓	✓	-	-	-	450
<b>BRAND D</b> ANONYMOUS	✓	✓	-	-	-	200
<b>OTHER BRANDS</b> X 30+	✓	-	-	-	-	-



# Presto Voice has **an annual revenue opportunity of over \$100m** through rolling out across total approachable locations

## UNPACKING THE MARKET OPPORTUNITY





# Presto Touch is a pay-at-table tablet solution for Casual Dining chains - it has four key features



## KEY FEATURES OF PRESTO TOUCH AND CUSTOMER BENEFITS:



### Self-service ordering

Consumers can easily browse menus and place orders through the tablet

- **Reduces the risk of order mistakes** and language barriers as consumers can order directly through the tablet, using a display in their chosen language
- **Increases speed of service** with consumers able to order without waiting for a server
- Automated **prompts encourage upsell** and additional purchases



### Payment processing

Tablets enable contactless payment at the table, and allow users to split bills

- **Speeds up table turnover**, allowing for greater consumer throughput
- Bills can be closed at the table, on-demand, **increasing consumer satisfaction**
- **More secure transactions** with payment tokenization and encryption included within the device



### Premium gaming

For a small fee, users can choose from, and play games on the tablet

- Improves consumer experience by providing entertainment, **particularly allowing families to keep children occupied** and engaged
- Games and entertainment provide **a unique offering to consumers**, increasing consumer retention
- By ensuring consumers are engaged customers may **increase the consumer basket size**



### Build engagement

Consumers can opt into loyalty programs and redeem rewards

- Drives **increased uptake of loyalty programs** with automated prompts and seamless signup
- Improve brand recognition by using **customized communication styles** and messages to connect with consumers



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