

Domino's Pizza Group shares surge after UK arm of takeaway giant ends years-long dispute with franchisees

Domino's Pizza Group [shares](#) surged this morning as the [UK arm](#) of the takeaway giant revealed it has reached a [deal](#) with franchisees after a years-long row.

Former chief executive [David Wild](#) stepped down amid the dispute which saw franchisees refuse to open new stores unless they received an increased share of the [profits](#).

Chief executive Dominic Paul, who took the helm at the group in early 2020, has been in an ongoing dialogue with store owners as the firm developed its UK and [Ireland growth](#) plan – which aims to create 7,000 new [jobs](#) and open 200 stores.

The new deal will see Domino's invest £20 million over the next three years into improving its e-commerce offering, into marketing and store opening incentives – in return for pledge from franchisees to deliver 45 new branch openings per year.

Franchisees will also take part in national promotion deals, and test new tech, store formats and recipes.

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Domino's stock was up as much as 23.4%, or 81p, at 427p, in early trading on Thursday on the news.

Paul, a former Costa Coffee boss, told the Standard that the resolution can "unleash the true potential" of the brand.

He said the impasse had been "holding the [business](#) back for about three years", but that the deal is set to deliver an "accelerated growth framework".

Paul added: "They had frustrations with us. They didn't think our marketing was strong enough, they were frustrated with some of our digital development.

"What we've done over the last 12 months is drive momentum in the execution of our strategy, which I think has really shown to the franchisees how serious we are at growing the business."

Mark Millar, chairman of the Domino's Franchisee Association (DFA), said the group is "pleased to have reached an agreement that brings Domino's and its franchisees closer together and enables us to focus on a future that delivers growth for all".

Domino's is completing an £80 million share buyback programme on the back of soaring profits, driven in part by the disposal of most of its loss-making international operations.

Analysts at Peel Hunt said the resolution should now enable Domino's "to drive growth through faster expansion and better collaboration".