



# Sphera Franchise Group

Preliminary results: Year 2017





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Therefore, the final results achieved may vary significantly from the forecasts, and the variations may be material.



## ▪ Strong sales & operational performance

- Double-digit same-store sales growth for the full-year
  - Q4 same-store sales performance eased on cannibalisation impact, with some softening in customer spend facing leaping inflation
- Total net store openings: 15 (3 below plan on permitting delays; 2 have already been opened, third to open during Mar-2018)
  - 9 stores opened in Q4-2017 (5x KFC, 2x Pizza Hut, 2x Taco Bell)
- Network size: 113 @ YE 2017, 115 @ 26-Feb-2018
  - 2018 network target: +23 (excluding the 3 included in the 2017 plan) to 139
- KFC and Pizza Hut continue to lead top of mind awareness in Romania
- Strong Taco Bell sales performance for both stores
- Both KFC Italy stores generated operating profits in December, on combined sales better than expected

## ▪ Preliminary results

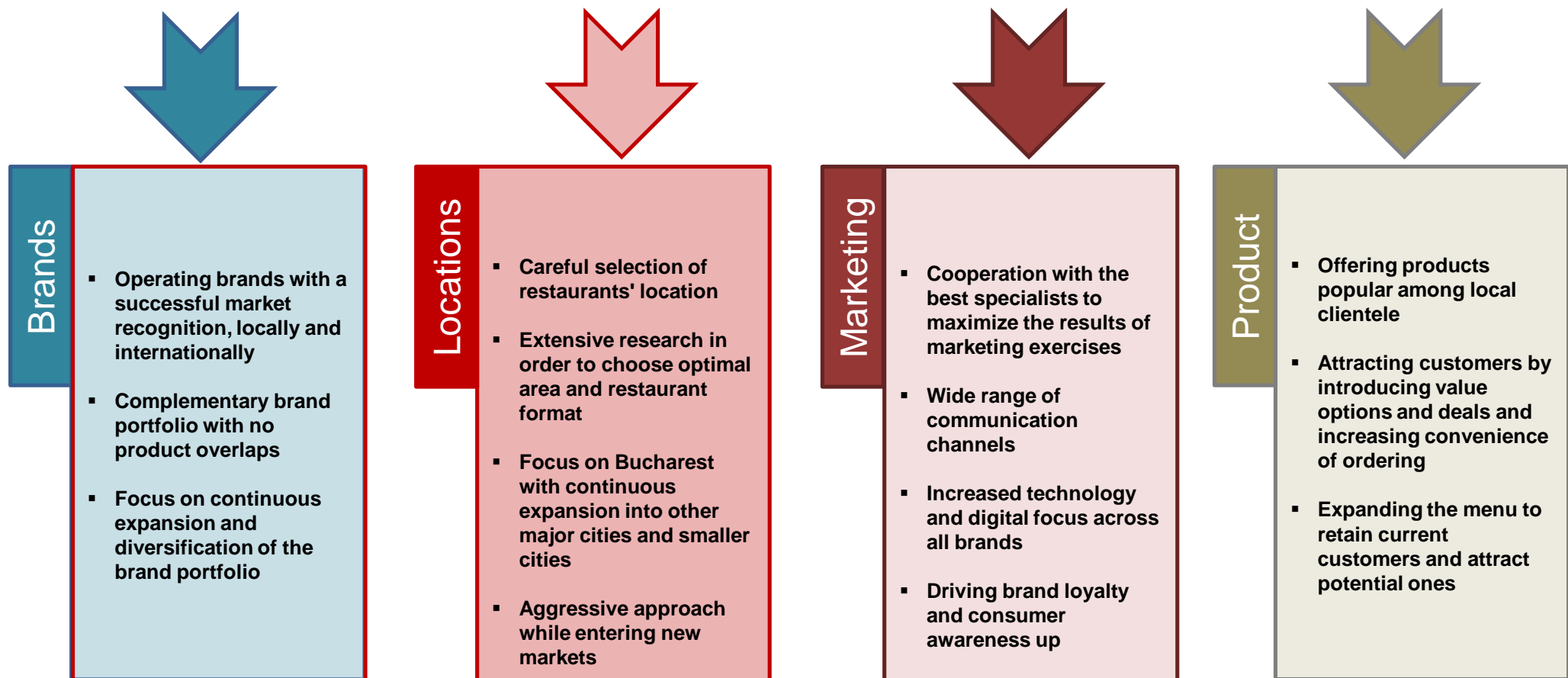
	<u>Consolidated</u>	<u>Pro forma</u>	<u>Change in pro forma margin</u>
▪ Sales	+37.3%	+20.3%	
▪ Restaurant profit	+18.3%	+7.0%	(2.0)pp
▪ Normalised EBITDA*	(2.9)%	(5.8)%	(3.1)pp
▪ EBITDA	(21.0)%	(25.1)%	(5.4)pp
▪ Net Profit	(35.5)%	(38.9)%	(5.1)pp

\* Normalised EBITDA was adjusted for one-off expenses totaling RON 14.2m (revised upward from RON 11.8m as initially communicated, following reclassification of certain items from recurring G&A)



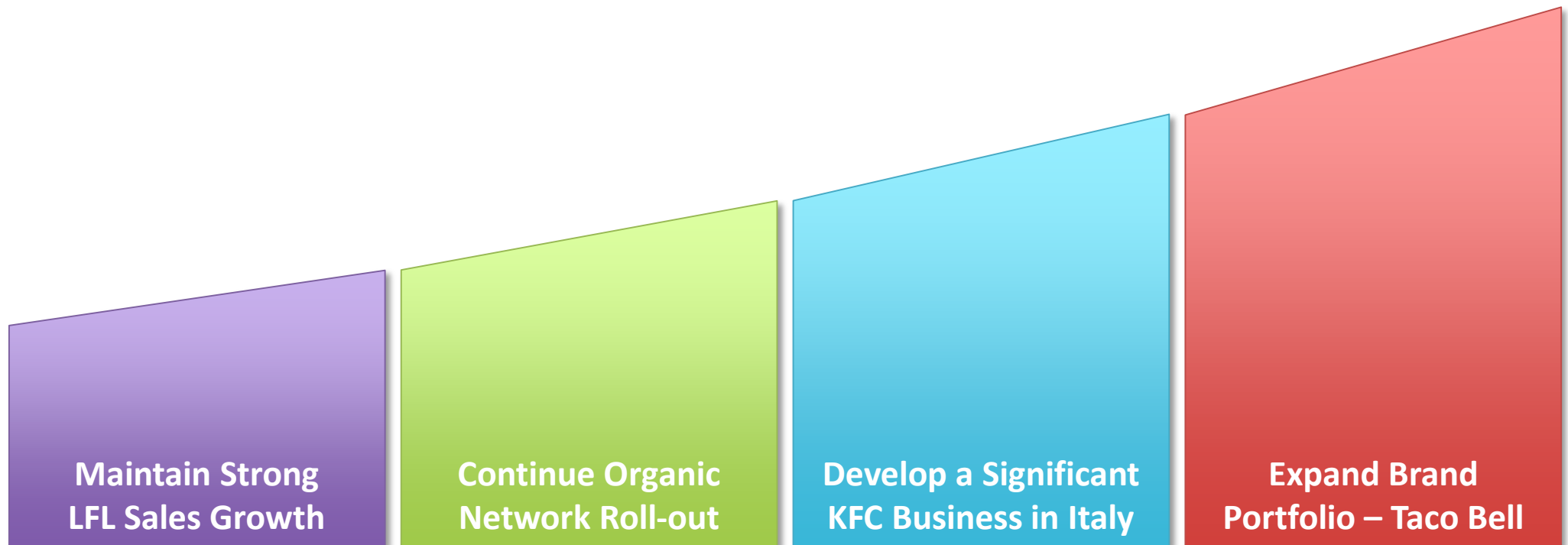


## The Company's Value Proposition





## Long-term growth strategy based on four key pillars



Note: Size of segments do not constitute indication to their contribution to the overall growth.



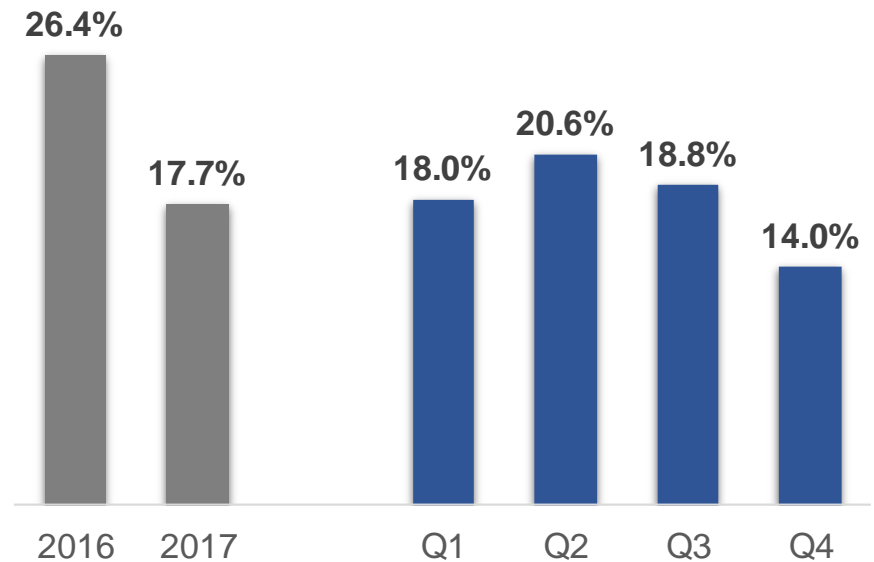
## **Sales performance by brands**



## Sales growth analysis

### All-store performance

- All-store sales growth of 17.7% Y/Y supported mainly by same-store performance (11.9% contribution);
- The 11 net openings contributed 5.8% to the Y/Y growth, with all but one in cities with existing KFC stores;



### Same-store performance

- same-store sales growth of 12.5% Y/Y on the back of continued strong performance from the Drive-Thru format, as well as a better performance of the restaurants located outside Bucharest;
- Q4 performance slightly affected by increased cannibalization, as all new stores opened in cities with existing KFC presence (Bucharest, Arad, Oradea, Ramnicu Valcea);
- Average ticket was up 6% in 2017 and 4.5% in Q4, with transactions advancing 6.3% in 2017 and 5.2% in Q4;



## Sales growth analysis

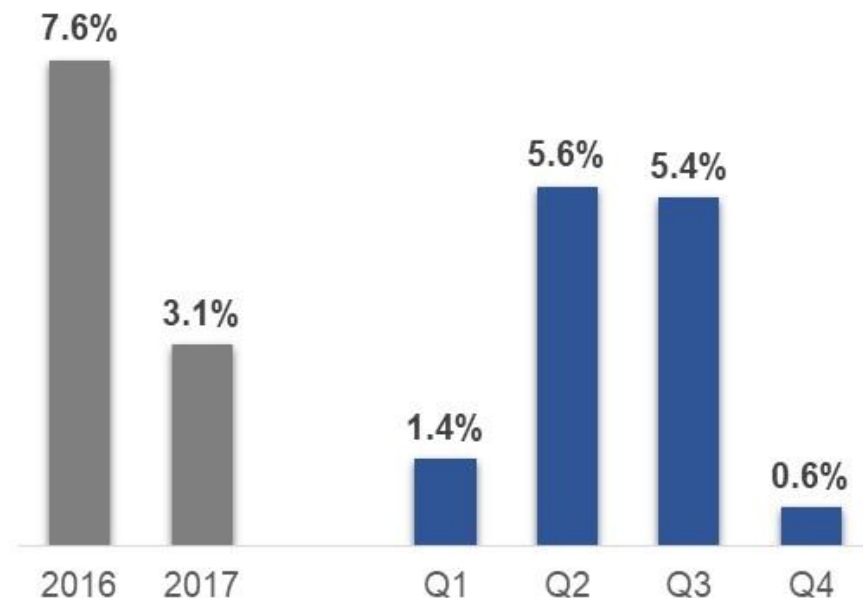
### All-store performance

- All-store sales growth of 15.5% Y/Y, with a relatively uniform performance across quarters, of which 13.4pp was the contribution of the net 12 stores opened starting Jan-2016 (+44% network growth)



### Same-store performance

- Same-store sales growth of 3.1% Y/Y, which is deemed to be a significant performance given the magnitude of the brand growth over the past two years (with 8 of the 12 net openings taking place in cities with existing Pizza Hut stores);
- We expect same-store growth to be in slight negative territory at least for the next couple of quarters as we plan further roll-outs in some of the existing cities;
- Average ticket up 8% in 2017 and 7% in Q4, with transactions falling 4.4% in 2017 and 6.0% in Q4;












**Development**

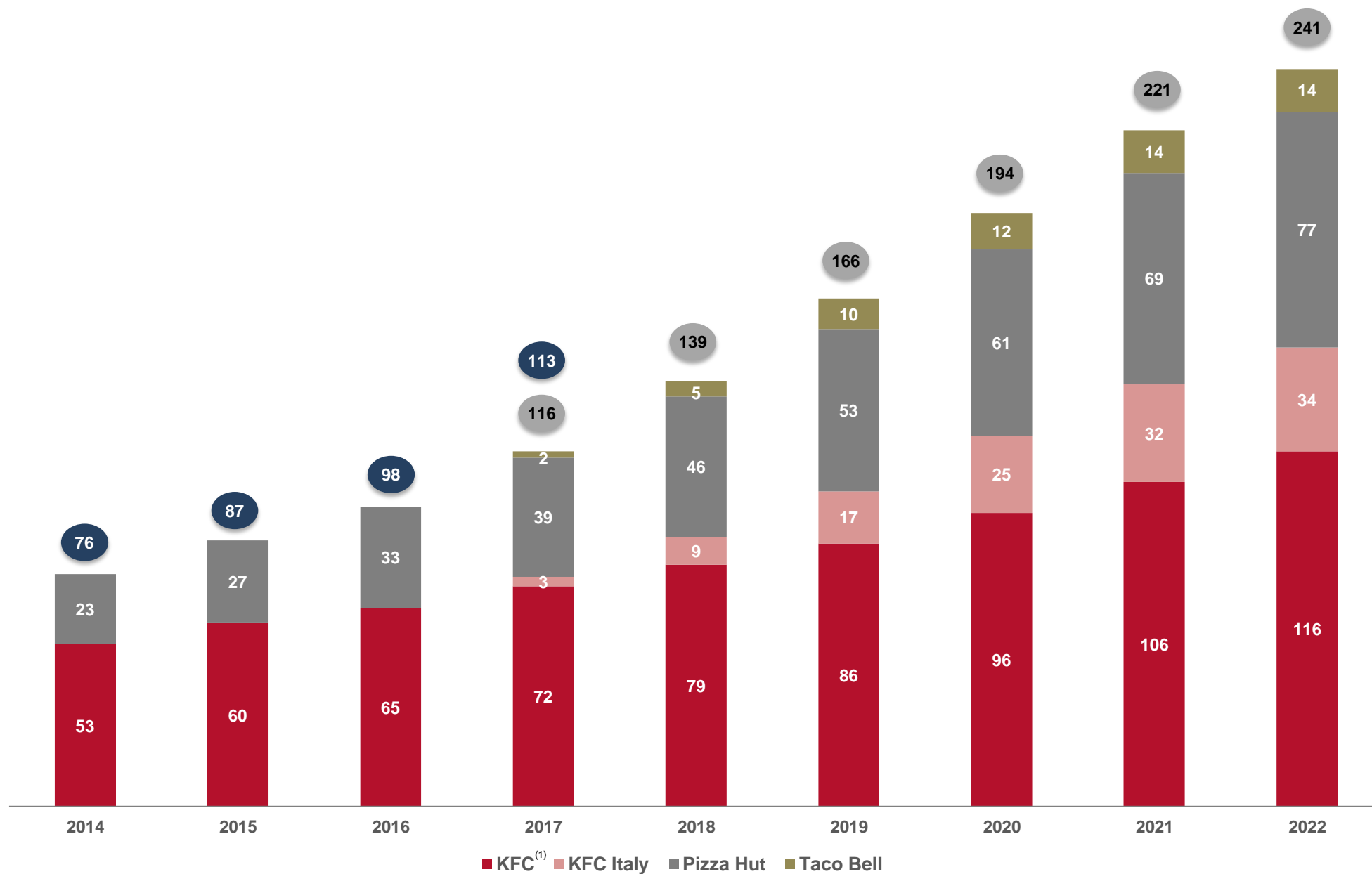
## Restaurant openings in 2017

	Total stores BoY	Openings	Plan	Total stores EoY	New store locations
	65	8 -1	10*	72	<ul style="list-style-type: none"> <li>Romania: Bucharest (1x DT, 1x IL), Oradea (1x DT, 1x FC), Arad (1x FC), Valcea (1x FC)</li> <li>Italy: 2x FC</li> <li>Closed stores: Romania (Oradea: 1x FC)</li> </ul>
	21	1	1	22	<ul style="list-style-type: none"> <li>Galati (1x FC)</li> </ul>
	12	5	5	17	<ul style="list-style-type: none"> <li>Bucharest (4x IL), Ploiesti (1x IL)</li> </ul>
	0	2	2	2	<ul style="list-style-type: none"> <li>Bucharest (2x FC)</li> </ul>
	98	15	18	113	

\* Two restaurants planned for 2017 opened in Jan-2018 (Botosani - DT) and Feb-2018 (Bucharest – DT).



## Total Restaurants at year-end



Notes: (1) Includes KFC Romania and KFC Moldova



## Restaurants roll-out plan by brands

		2017	2018	2019	2020	2021	2022	Total
KFC Romania	Commitment	4	6	7	8	9	9	43
	Target	7	7	7	10	10	10	51
Pizza Hut: Delivery Dine in	Commitment	6	7	7	8	8	8	44
	Target	5	5	5	6	6	6	33
	Target	1	2	2	2	2	2	11
Taco Bell Romania	Commitment	2	3	5	-	-	-	10
	Target	2	3	5	2	2	-	14
KFC Italy (North-East & Piemonte)	Commitment	3	6	8	7	7	1	32
	Target	3	6	8	8	7	2	34
TOTAL OPENINGS	Commitment	15	22	27	23	24	18	129
	Target	18	23	27	28	27	20	143



**Marketing / CSR**





## Continuous activities to promote our brands

	January	February	March	April	May	June	July	August	September	October	November	December
												
												
												

Note: <sup>(1)</sup> size of campaigns' pictures are not an indication of exact duration of the respective campaign

## Q4-2017 highlights



- Christmas campaign focused on buckets with the aim to drive top line in Q4 whilst building on the freshness pillar and enjoyed higher sales mix Y/Y
- launched digital menu boards in the first two stores with the aim to continue roll-out throughout 2018.
- new brand website was launched, which has resulted in increased traffic and longer interaction with the site.
- Extended the delivery test in Bucharest after encouraging start.
- Continued to be recognized for outstanding digital marketing performance with numerous awards at FIBRA, including most creative client.



- launched Pepperoni Stuffed Crust pizza, which enjoyed notable sales mix throughout the campaign
- The new enhanced dine-in menu was extended to additional stores and offers customers wider variety and higher product quality
- Access to the Delivery channel through digital platform is increasing, with 31% of all orders coming through the digital, of which 9% through the Pizza Hut app



- Strong communication campaign (with a total budget of c. RON 1m) through all relevant channels (guerilla marketing activities, digital & social media, special brand and product videos, dedicated launch website, engagement of local communities, OOH (Bucharest, Vienna, Prague and Budapest), special signage inside and around the store's location, VIP Party and Special Launch ceremony)



## Ongoing CSR campaigns & programs

EUR 140k  
raised in  
2017, to  
finance  
school for 200  
children

**'I want to go to high-school' (with World Vision Romania)**



**'Physics (taught) differently' (with CEAE)**



**"SOS Children's Villages Bucharest"**



**'Hospice, House of Hope'**





## Replate Waste (partnership with Shutterstock US)

We take all the food that's left on the plates when people leave our restaurant and, with the help of a food stylist and photographer, we create new, stunning plates.

Then, we take photos, we upload them on Shutterstock and sell them. All the money that we raise will be donated to the **Hospice House of Hope**.



shutterstock



All Images ▾



Replate Waste's portfolio  
Photographer  
Romania [Show more +](#)

Replate Waste is a Pizza Hut initiative that raises money for a good cause. All photos were made from re-plated food waste. Learn more on our website

Share this portfolio



Images



Popular

New

Best Match

Image Type ▾

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« 1 » of 1





# Financials





## Consolidation perimeter

2016				2017							
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
J	F	M	A	M	J	J	A	S	O	N	D

### Sphera - Consolidated financials

KFC Romania											
KFC Moldova											
KFC Italy											
Pizza Hut											

### Sphera - Pro forma information (P&L only)

KFC Romania											
KFC Moldova											
KFC Italy											
Pizza Hut											

### Expected impact on Sphera P&L

- Sales
- Restaurant expense
  - COGS
  - Labour
  - Rent
  - Advertising
  - Royalties
  - Other opex
  - Depreciation
  - G&A

#### Consolidated



#### Pro forma





## Pro forma financials



## Statement of comprehensive income

- Pro forma sales up 20.3% Y/Y on strong performance from KFC Romania/Moldova and Pizza Hut and increasing contributions from the new businesses (KFC Italy and Taco Bell);
- Restaurant operating profit up 7.0% Y/Y, with margin down 2pp, especially on salary costs and impact from new openings and new areas of business;
- G&A expenses up 88.5%, or 3.5pp up in sales, driven by increased head-office payroll expenses (on both higher headcount and selected salary adjustments) and to one-off expenses (RON 14.2m, or 2.3% of sales);
- EBITDA fell 25.1% Y/Y and EBITDA margin contracted 5.4pp, of which 3.5pp due to higher G&A and 1.9pp due to higher restaurant expenses;
- Normalized EBITDA (excluding one-offs) fell 5.8% Y/Y and normalized EBITDA fell 3.1pp;
- Net profit was 38.9% lower Y/Y and net profit margin fell by 5.1pp compared to the 5.5pp drop in operating profit margin, on lower income tax expense (-38.4%, or 0.6pp of sales)

Data in RON'000	2017	2016	Y/Y%	% of Sales		
			2017/2016	2017	2016	Δ%
<b>Restaurant sales</b>	<b>618,804</b>	<b>514,475</b>	<b>20.3%</b>			
<b>Restaurant expenses</b>	<b>520,031</b>	<b>422,204</b>	<b>23.2%</b>	<b>84.0%</b>	<b>82.1%</b>	<b>2.0%</b>
Food and material	219,232	183,409	19.5%	35.4%	35.6%	-0.2%
Payroll and employee benefits	121,623	91,960	32.3%	19.7%	17.9%	1.8%
Rent	45,512	35,525	28.1%	7.4%	6.9%	0.4%
Royalties	36,567	30,356	20.5%	5.9%	5.9%	0.0%
Advertising	32,727	26,521	23.4%	5.3%	5.2%	0.1%
Other operating expenses, net	48,720	41,972	16.1%	7.9%	8.2%	-0.3%
Depreciation and amortization	15,650	12,461	25.6%	2.5%	2.4%	0.1%
<b>Restaurant operating profit</b>	<b>98,773</b>	<b>92,271</b>	<b>7.0%</b>	<b>16.0%</b>	<b>17.9%</b>	<b>-2.0%</b>
General and administration expenses, net	60,297	31,988	88.5%	9.7%	6.2%	3.5%
<b>Operating profit</b>	<b>38,476</b>	<b>60,283</b>	<b>-36.2%</b>	<b>6.2%</b>	<b>11.7%</b>	<b>-5.5%</b>
Finance costs	2,354	929	153.4%	0.4%	0.2%	0.2%
Finance income	220	113	94.7%	0.0%	0.0%	0.0%
<b>Profit before tax</b>	<b>36,342</b>	<b>59,467</b>	<b>-38.9%</b>	<b>5.9%</b>	<b>11.6%</b>	<b>-5.7%</b>
Income tax expense	3,786	6,144	-38.4%	0.6%	1.2%	-0.6%
<b>Profit for the year</b>	<b>32,556</b>	<b>53,323</b>	<b>-38.9%</b>	<b>5.3%</b>	<b>10.4%</b>	<b>-5.1%</b>
EBITDA	55,065	73,502	-25.1%	8.9%	14.3%	-5.4%
Normalised EBITDA	69,268	73,502	-5.8%	11.2%	14.3%	-3.1%

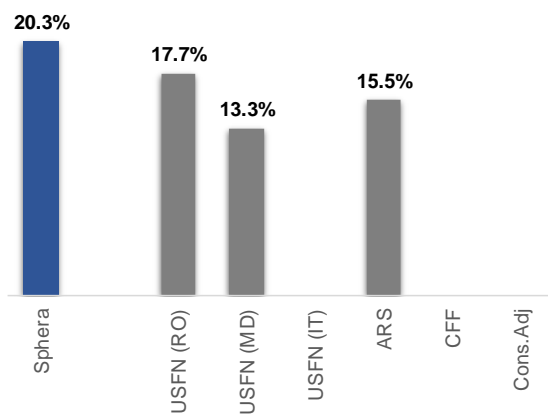


# Financial performance: Pro-forma

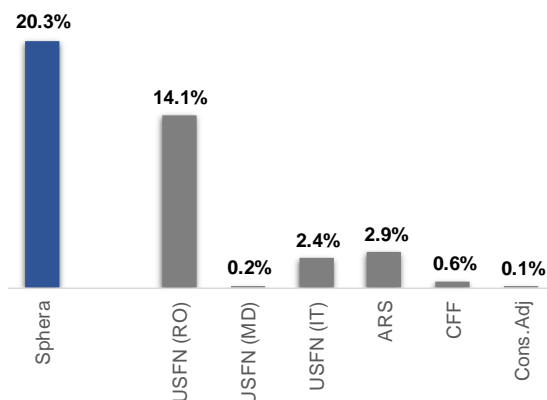
## Breakdown of results by Group companies – year 2017

Data in RON'000	USFN (RO)	ARS	USFN (MD)	USFN (IT)	CFF	SFG	Cons.Adj	ICO elim.	PPA Adj.	SFG Cons.
<b>Restaurant sales</b>	<b>482,587</b>	<b>112,011</b>	<b>8,492</b>	<b>12,377</b>	<b>2,876</b>	<b>12,420</b>	<b>(11,958)</b>	<b>(1)</b>		<b>618,804</b>
<b>Restaurant expenses</b>	<b>397,194</b>	<b>99,520</b>	<b>7,648</b>	<b>12,501</b>	<b>3,837</b>	<b>0</b>	<b>(909)</b>	<b>(1)</b>	<b>241</b>	<b>520,031</b>
Food and material	180,421	30,422	3,628	3,822	1,087	0	(146)	(2)		219,232
Payroll and employee benefits	85,660	29,920	1,252	4,005	786	0	0	0		121,623
Rent	33,719	9,643	796	878	476	0	0	0		45,512
Royalties	28,754	6,514	506	736	57	0	0	0		36,567
Advertising	23,835	6,846	364	809	969	0	(75)	(21)		32,727
Other operating expenses, net	34,068	12,433	831	1,734	320	0	(688)	22		48,720
Depreciation and amortization	10,737	3,742	271	517	142	0	0	0	241	15,650
<b>Restaurant operating profit</b>	<b>85,393</b>	<b>12,491</b>	<b>844</b>	<b>(124)</b>	<b>(961)</b>	<b>12,420</b>	<b>(11,049)</b>	<b>0</b>	<b>(241)</b>	<b>98,773</b>
General and administration expenses, net	32,612	12,576	241	1,601	791	23,525	(11,049)			60,297
<b>Operating profit</b>	<b>52,781</b>	<b>(85)</b>	<b>603</b>	<b>(1,725)</b>	<b>(1,752)</b>	<b>(11,105)</b>	<b>0</b>	<b>0</b>	<b>(241)</b>	<b>38,476</b>
Finance costs	1,491	811	138	358	37	141	(622)			2,354
Finance income	14,634	7	15	0	0	30	(14,466)			220
<b>Profit before tax</b>	<b>65,924</b>	<b>(889)</b>	<b>480</b>	<b>(2,083)</b>	<b>(1,789)</b>	<b>(11,216)</b>	<b>(13,844)</b>	<b>0</b>	<b>(241)</b>	<b>36,342</b>
Income tax expense	4,375	1,346	82	(428)	11	(1,600)	0			3,786
<b>Profit for the year</b>	<b>61,549</b>	<b>(2,235)</b>	<b>398</b>	<b>(1,655)</b>	<b>(1,800)</b>	<b>(9,616)</b>	<b>(13,844)</b>	<b>0</b>	<b>(241)</b>	<b>32,556</b>
EBITDA	64,257	3,783	926	(1,208)	(1,610)	(11,083)	0	0	0	55,065
Normalised EBITDA	64,752	3,968	926	(1,208)	(1,610)	2,439	0	0	0	69,268

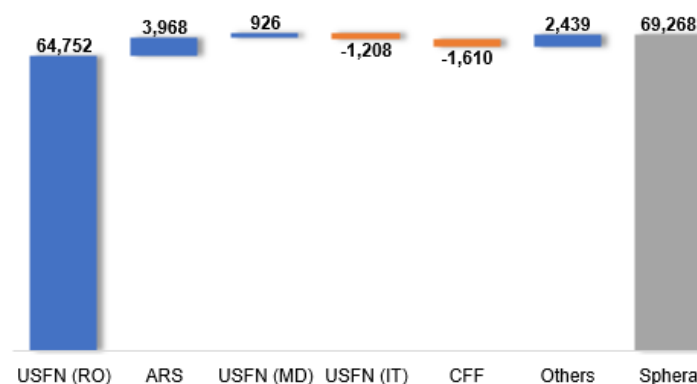
Y/Y Sales growth by companies



Contribution to Sales growth by companies



Contribution to normalized EBITDA by companies

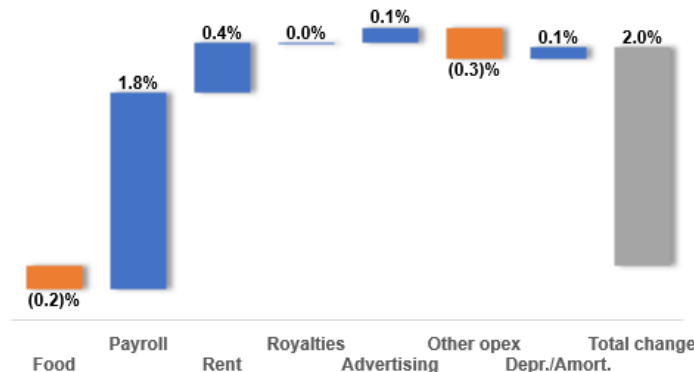


## Restaurant operating expenses

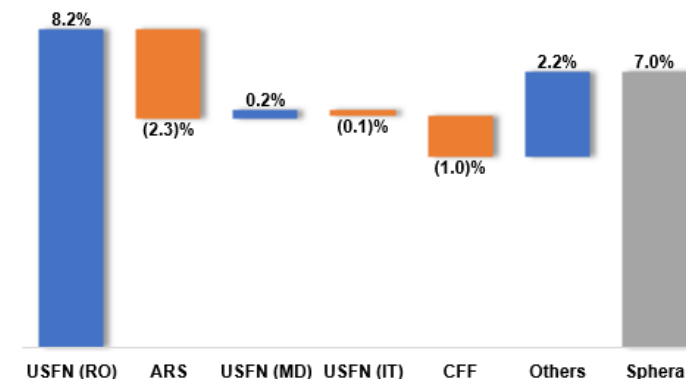
Data in RON thousand	2017	2016	Change 2017/2016	Percentage of sales	
				2017	2016
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Royalties	36,567	30,356	20.5%	5.9%	5.9%
Advertising	32,727	26,521	23.4%	5.3%	5.2%
Other operating expenses	48,720	41,972	16.1%	7.9%	8.2%
Depreciation	15,650	12,461	25.6%	2.5%	2.4%

- Operational expenses increased 23.3% Y/Y to RON 520.0m in 2017,
- As percentage of sales, operational expenses increased by 1.9pp Y/Y to 84.0% in 2017, of which:
  - By main areas of business:
    - +1.7pp was the combined effect of the changes in the restaurant expenses of KFC Romania, Pizza Hut and KFC Moldova (+1.5pp from payroll cost);
    - +0.6pp was the combined impact of our new KFC stores in Italy and Taco Bell stores (+0.3pp from payroll cost and +0.2pp from advertising);
  - By expense category:
    - +1.8pp from payroll cost
    - +0.4pp from rent expenses (mostly related to new stores),
    - (0.2)pp from cost of food and materials
    - (0.3)pp from other operating expenses.
- In Q4-2017, cost of labour fell 1.6pp to 19.3% on stronger seasonal sales, cost of food advanced 1.2pp to 36.5% on higher acquisition prices for a number of products, while depreciation increased 0.6pp on higher number of store openings.

Contribution to change in restaurant opex margin



Contribution to change in restaurant profit



### Guidance for 2018

- While we expect the same-store restaurant operating margin to improve by up to 0.5pp in 2018 (0.5pp decrease in cost of sales, 0.5pp increase in cost of labour, 0.2pp decrease in rent, 0.3pp decrease in depreciation), we believe the all-store restaurant profitability will decrease by up to 1pp on the impact of the new stores (of which 0.8pp from increased depreciation expense).

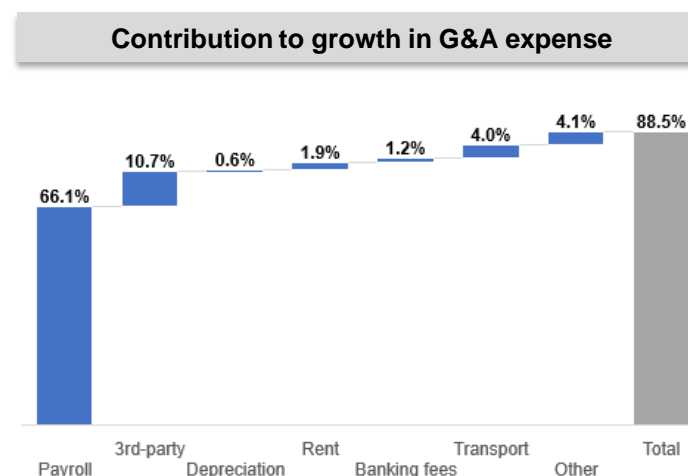




## G&A expenses

Data in RON thousand	2017	2016	Change 2017/2016	Percentage of sales	
				2017	2016
<b>General and administration expenses (net), of which:</b>	<b>60,297</b>	<b>31,988</b>	<b>88.5%</b>	<b>9.7%</b>	<b>6.2%</b>
Payroll and employee benefits	34,695	13,564	155.8%		
Third-party services	13,605	10,197	33.4%		
Depreciation and amortization	939	758	23.9%		
Rent	2,344	1,736	35.0%		
Banking charges	1,921	1,525	26.0%		
Transport	2,599	1,314	97.8%		
Other expenses	4,194	2,894	44.9%		

- General and administration expenses increased 88% Y/Y to RON 60.3 million in 2017 (9.7% of sales, up from 6.2% in 2016).
  - The company's G&A expense was mainly impacted by a series of incremental one-off costs and expenses, totaling RON 14.2m (revised upward from RON 11.8m as initially communicated, following further reclassification of management bonuses and professional legal and commercial services). These one-off costs most notably include the payment of a significant management bonus as well as expenses relating to legal, advisory, and audit fees relating to the corporate restructuring work that was undertaken during the year.
    - We awarded RON 12.2m in extraordinary remuneration to the senior management, including the heads of all key functions of the business, in order to reward the significant growth and value creation that has been achieved over the recent years, and incentivize key individuals towards what is committed and planned to be achieved as part of our 5-year plan.
    - We incurred RON 2.0m in one-off third-party expenses, relating mainly to legal, advisory, and audit fees as part of our reorganization process and we treat these fees as non-recurring.
- A second important component of growth in G&A were head-office salaries which, excluding the new businesses (KFC Italy and Taco Bell), increased by approximately RON 9.5m Y/Y.
  - c. RON 6.5m represent increased expenses with base salaries of the head-office staff, due to the significant increase in headcount and salary adjustments for a number of key employees;
  - c. RON 3.0m represent increased expenses with the bonus accruals for the year 2017 that will be paid in 2018 to both the management team and head-office staff.
- A third distinct component was represented by the new businesses (KFC Italy and Taco Bell operations), which generated RON 2.4m in G&A expenses.



**Breakdown of one-off costs**

<b>Total one-off costs, of which:</b>	<b>14,202</b>
<b>Management bonuses</b>	<b>12,154</b>
<b>Third-party</b>	<b>2,048</b>
Legal services	681
Commercial due diligence	652
Audit services	534
Other	181

### Guidance for 2018

- We expect normalized G&A to reach approximately 7.0% of sales in 2018, with a 0.5pp seasonal variation between quarters (25-25% increase in payroll, with 4% increase in existing salaries and 30-40 new hires, 10% decrease in third-party, 8% increase in other G&A positions)



## Overall guidance for 2018

- **Sales**

- Same-store sales: +6-8%
- All-store sales: 20-25%

- **Restaurant operating margin**

- Same-store margin: +0.5pp to 18.5%
- All-store margin: -1.0pp to 15.0%, of which impact from Depreciation: -0.8pp (3.3% of sales)

- **G&A expenses**

- 7.0% of sales

- **Normalized EBITDA margin**

- 11.0-11.5%



## Consolidated financials



## Statement of comprehensive income

- Consolidated sales up 37.3% Y/Y on strong performance from KFC Romania (+17.7% Y/Y), while the consolidation of ARS (Pizza Hut restaurants), starting with June 2017, contributed 15.9pp in the consolidated sales growth rate;
- Restaurant operating profit up 18.3% Y/Y, with margin down 2.6pp, especially on salary costs and impact from new openings and new areas of business;
- G&A expenses up 143%, or 4.3pp up in sales, driven by increased head-office payroll expenses (on both higher headcount and selected salary adjustments) and to one-off expenses (RON 14.2m, or 2.5pp of sales);
- EBITDA fell 21.0% Y/Y and EBITDA margin contracted 6.6pp, of which 4.3pp due to higher G&A and 2.3pp due to higher restaurant expenses;
- Normalized EBITDA (excluding one-offs) increased 0.9% Y/Y and normalized EBITDA margin fell 4.1pp;
- Net profit was 35.5% lower Y/Y and net profit margin fell by 6.2pp compared to the 6.8pp drop in the operating profit margin, on lower income tax expense (-44.1%, or 0.8pp of sales)

Data in RON'000	2017	2016	Y/Y%	% of Sales		
			2017/2016	2017	2016	Δ%
<b>Restaurant sales</b>	<b>573,175</b>	<b>417,535</b>	<b>37.3%</b>			
<b>Restaurant expenses</b>	<b>480,647</b>	<b>339,314</b>	<b>41.7%</b>	<b>83.9%</b>	<b>81.3%</b>	<b>2.6%</b>
Food and material	206,704	157,302	31.4%	36.1%	37.7%	-1.6%
Payroll and employee benefits	109,858	69,577	57.9%	19.2%	16.7%	2.5%
Rent	41,615	27,498	51.3%	7.3%	6.6%	0.7%
Royalties	33,885	24,654	37.4%	5.9%	5.9%	0.0%
Advertising	30,231	20,736	45.8%	5.3%	5.0%	0.3%
Other operating expenses, net	44,412	30,313	46.5%	7.7%	7.3%	0.5%
Depreciation and amortization	13,942	9,234	51.0%	2.4%	2.2%	0.2%
<b>Restaurant operating profit</b>	<b>92,528</b>	<b>78,221</b>	<b>18.3%</b>	<b>16.1%</b>	<b>18.7%</b>	<b>-2.6%</b>
General and administration expenses, net	55,925	22,975	143.4%	9.8%	5.5%	4.3%
<b>Operating profit</b>	<b>36,603</b>	<b>55,246</b>	<b>-33.7%</b>	<b>6.4%</b>	<b>13.2%</b>	<b>-6.8%</b>
Finance costs	2,156	825	161.3%	0.4%	0.2%	0.2%
Finance income	214	95	125.3%	0.0%	0.0%	0.0%
<b>Profit before tax</b>	<b>34,661</b>	<b>54,516</b>	<b>-36.4%</b>	<b>6.0%</b>	<b>13.1%</b>	<b>-7.0%</b>
Income tax expense	3,233	5,783	-44.1%	0.6%	1.4%	-0.8%
<b>Profit for the year</b>	<b>31,428</b>	<b>48,733</b>	<b>-35.5%</b>	<b>5.5%</b>	<b>11.7%</b>	<b>-6.2%</b>
EBITDA	51,424	65,070	-21.0%	9.0%	15.6%	-6.6%
Normalised EBITDA	65,627	65,070	0.9%	11.4%	15.6%	-4.1%



## Statement of financial position

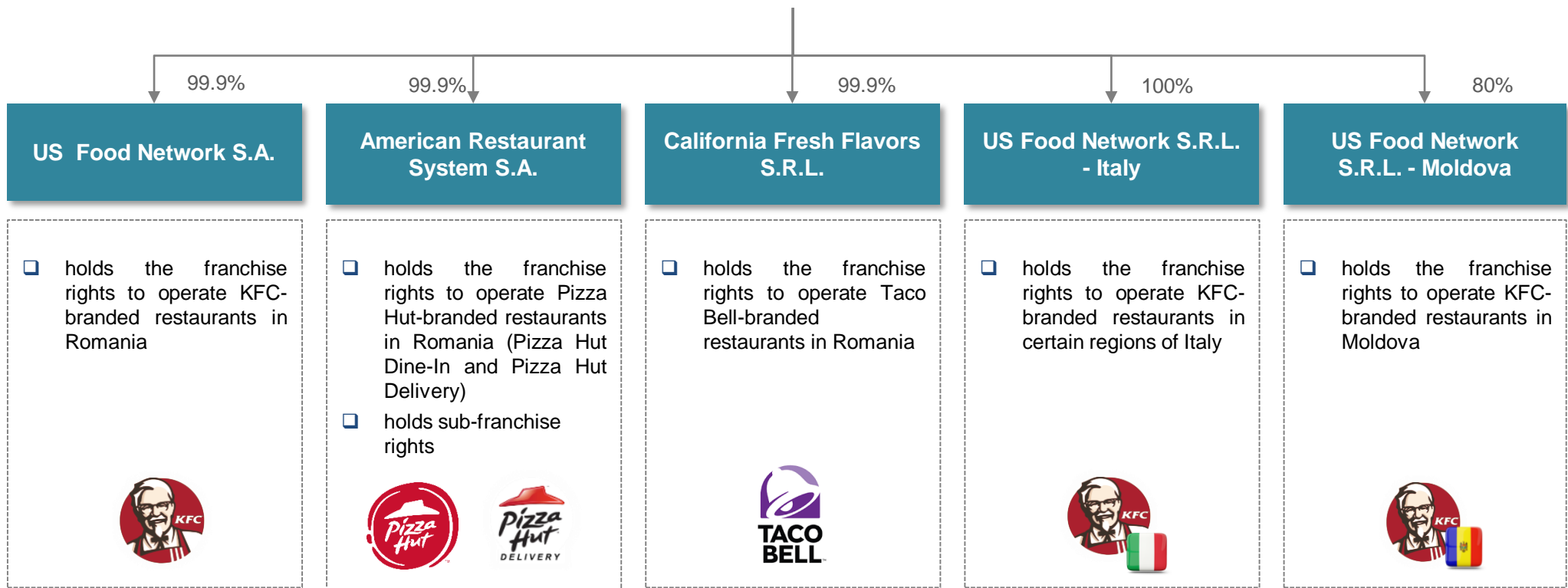
All data in RON'000	31-Dec-17	31-Dec-16
<b>Assets</b>		
<b>Non-current assets</b>	<b>176,123</b>	<b>54,246</b>
Property, plant and equipment	105,220	47,551
Intangible assets	67,471	6,365
Deposits for rent guarantee	1,288	290
Deferred tax assets	2,144	40
<b>Current assets</b>	<b>73,255</b>	<b>65,399</b>
Inventories	8,509	5,744
Trade and other receivables	8,418	8,780
Prepayments	3,673	1,907
Cash and short-term deposits	52,655	48,968
Assets held for sale	195	-
<b>Total assets</b>	<b>249,573</b>	<b>119,645</b>

All data in RON'000	31-Dec-17	31-Dec-16
<b>Equity and liabilities</b>		
<b>Total equity</b>	<b>104,544</b>	<b>58,253</b>
<b>Equity attributable to equity holders of the parent</b>	<b>104,525</b>	<b>58,292</b>
Issued capital	581,990	190
Share premium	(520,578)	-
Other capital reserves	-	19
Retained earnings	43,191	58,124
Foreign currency translation reserve	(78)	(41)
Non-controlling interests	19	(39)
<b>Non-current liabilities</b>	<b>42,190</b>	<b>16,304</b>
Interest-bearing loans and borrowings	39,520	14,630
Trade and other payables	2,670	1,674
<b>Current liabilities</b>	<b>102,839</b>	<b>45,088</b>
Trade and other payables	77,647	37,292
Interest-bearing loans and borrowings	25,192	7,796
<b>Total liabilities</b>	<b>145,029</b>	<b>61,392</b>
<b>Total equity and liabilities</b>	<b>249,573</b>	<b>119,645</b>





# Appendix



## Leading restaurant group in Romania by sales, network and sector coverage

