

# Westlife Development Ltd.

Hardcastle Restaurants Pvt. Ltd.

Q4 FY20 Earnings Presentation  
June 11, 2020

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**SERVING HAPPINESS**  
— WITH —  
**EXTRA CARE**

# Initiatives by WDL during Covid-19

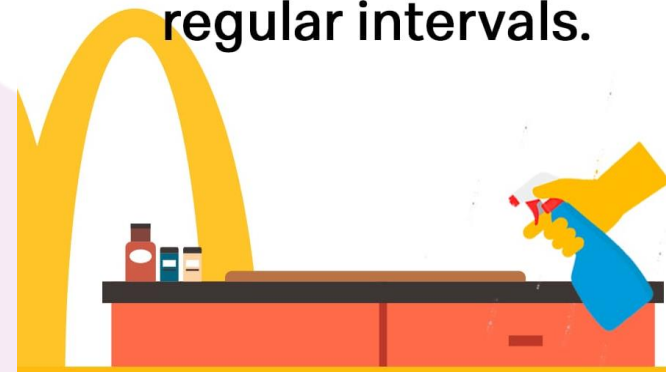
## On Restaurant Level

Cleaned and sanitized after every use!



DELIVERING HAPPINESS  
WITH EXTRA CARE

**Kitchens and tables**  
**are sanitized** at  
regular intervals.



SERVING HAPPINESS  
WITH  
EXTRA CARE

- Precautionary equipments like gloves, mask, cleaning tools, chemicals etc given to employees
- Frequent body temperature measurement of restaurant crew
- **Focus on delivery and take - away**
- Focus on frequent sanitisation
- **Contactless Delivery** – no bare hands touch the food
- Introduced a **unique 'Work from Home' policy** for its Restaurant Management Team and Frontline Crew

## On Supplier & Delivery Level

Fresh produce,  
**cleaned to**  
**its core.**



SERVING HAPPINESS  
WITH  
EXTRA CARE

**Contactless**  
**Delivery**



- **Stringent scanning methods for all suppliers**
- Ensuring that all suppliers have food safety management systems at their plants
- Worked with third party aggregators to define delivery health and safety standards for the industry
- All the **delivery boys wear masks, gloves etc** and deliver our food in a contactless manner

# Initiatives by WDL during Covid-19

## On Corporate Level



- Work from home policy implemented since 22nd March 2020.
- Continuous support provided by the corporate office to our crew members

## On Financial Level



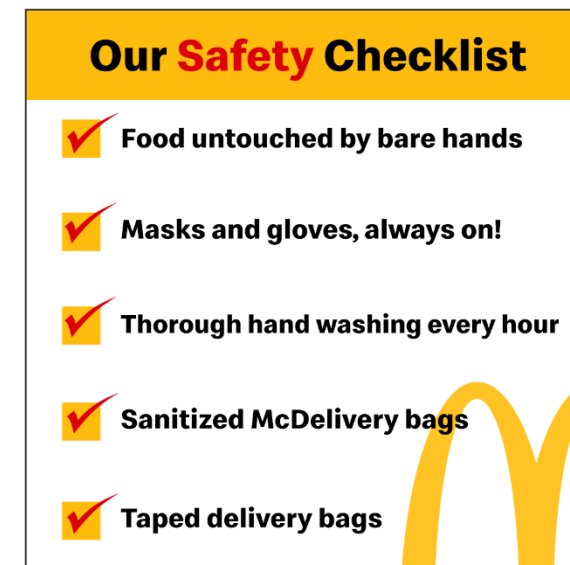
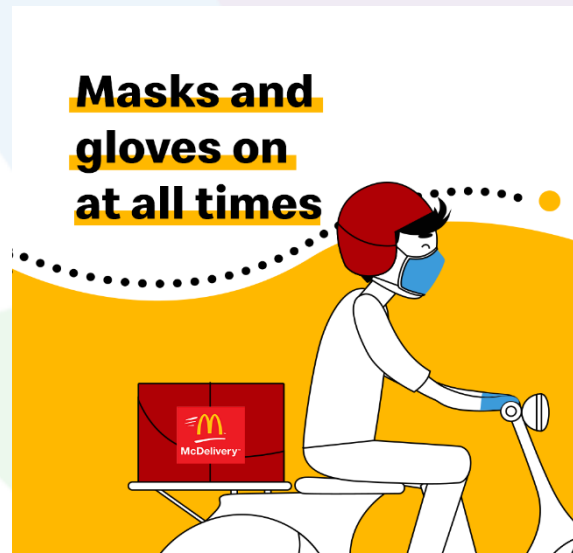
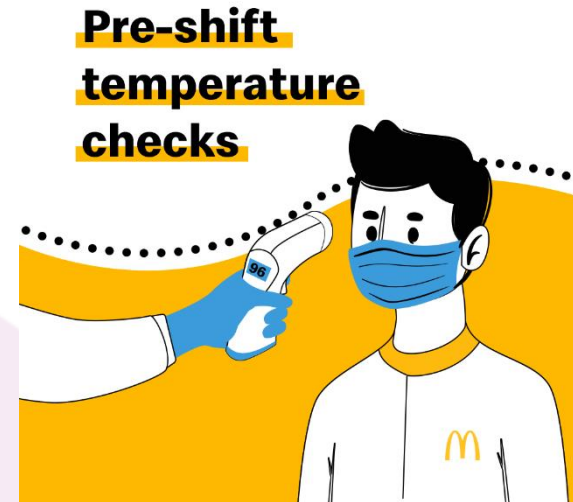
- **Cash Conservation**
  - Reduce Fixed Costs
  - Revisit Supply Chain
    - Optimize Inventory Management
    - Suppliers Management
  - Responsible capex decisions
  - Focus on business continuity



# Delivering happiness with extra care

## Safety comes first!

We're monitoring key health parameters of our entire crew





# Q4FY20 & FY20 UPDATE

# FY20 – On a strong growth trajectory before Covid -19

Particulars (Rs in Mn)	FY19	Q1FY20	Q2FY20	Q3FY20	Jan - Feb'20	Q4FY20	FY20
SSSG%	17.0%	6.7%	7.0%	9.2%	12.3%	-6.9%	4.0%
Sales	14,020	3,819	3,966	4,330	2,622	3,364	15,478
YoY Sales Growth %	23.5%	11.8%	13.3%	16.8%	20.30%	(0.9%)	10.4%
Gross Margins %	63.5%	64.3%	65.3%	66.0%	65.8%	65.6%	65.2%
ROM %	14.4%	13.5%	15.9%	17.5%	15.4%	10.8%	14.6%
Op. EBITDA Margins	8.9%	8.6%	10.3%	12.0%	10.0%	5.5%	9.3%
PBT Margin %	2.5%	2.1%	4.6%	7.2%	4.4%	(2.4%)	3.2%
Recurring PAT Margin %	1.5%	1.5%	3.3%	5.2%	3.3%	(1.5%)	2.4%
Recurring PAT Growth %	184.5%	(50.4%)	217.5%	228.3%	-	-	71.9%
Reported PAT Margin %	1.5%	1.5%	3.3%	5.2%	3.3%	(5.2%)	1.6%
Reported Cash Profits	1,084	282	361	450	233	248	1,341
New stores opening	25	4	5	11		4	24

**Additional 5 stores were ready to open but could not be opened due to Covid-19 in Q4FY20; else total new store count would have been 29 for FY20**



# FY2020<sup>1</sup> Results & Highlights

**10.4%** Sales growth (YoY) and **71.9%** Recurring PAT growth (YoY)

**+10.4%**

Sales Growth  
@ Rs 15,478 Mn

**+4%**

SSSG

*{Apr'19 – Feb'20 (11M)}*

**SSSG at 8.3%}**

Accelerated growth on  
**Convenience Platform**  
(Delivery, Take-away &  
Drive – Thrus)

**65.2% (+171bps)**

Gross Margin

**9.3% (+44bps)**

Op. EBITDA Margin

**Rs 366 Mn / 2.4%**

Recurring PAT / Recurring  
PAT Margin<sup>2</sup>

**Rs 241 Mn / 1.6%**

Reported PAT / PAT  
Margin<sup>3</sup>

Note: 1) Q4FY2020 numbers are excluding IND AS impact; 2) Recurring PAT Margin excludes impact of exceptional item of Rs 166 mn due to Covid – 19; 3) Reported PAT Margin includes impact of exceptional item of Rs 166 mn due to Covid - 19

# Q4 FY2020<sup>1</sup> Results & Highlights

**(0.9%)**

Sales Growth @ Rs 3,364 Mn

**20.3%** for Jan – Feb'20

**(6.9%)**

SSSG

**12.3%** for Jan – Feb'20

Launched **Contactless**

**Delivery;** ensuring safety of our customers & employees

**65.6% (+208bps)**

Gross Margin

**65.8%** for Jan - Feb'20

**5.5% (233bps)**

Op. EBITDA Margin

**10.0%** for Jan – Feb'20

**(Rs 51 Mn)/ (1.5%)**

Recurring PAT/ PAT Margin<sup>2</sup>

**3.3%** for Jan – Feb'20

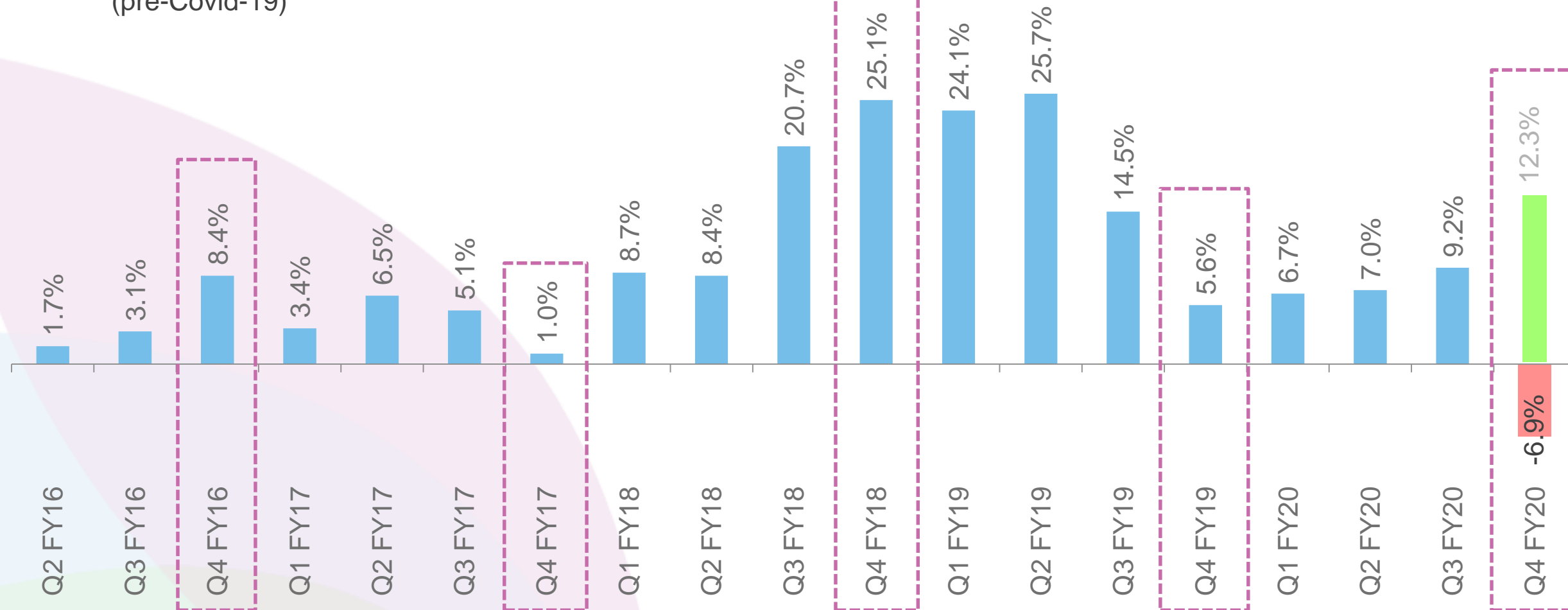
**(Rs 175 Mn)/ (5.2%)**

Reported PAT / PAT Margin<sup>3</sup>

Note: 1) Q4FY2020 numbers are excluding IND AS impact; 2) Recurring PAT Margin excludes impact of exceptional item of Rs 166 mn due to Covid – 19; 3) Reported PAT Margin includes impact of exceptional item of Rs 166 mn due to Covid - 19

# Consistent 18 quarters of strong SSSG (except Q4FY20)

SSSG for Jan – Feb'20  
(pre-Covid-19)

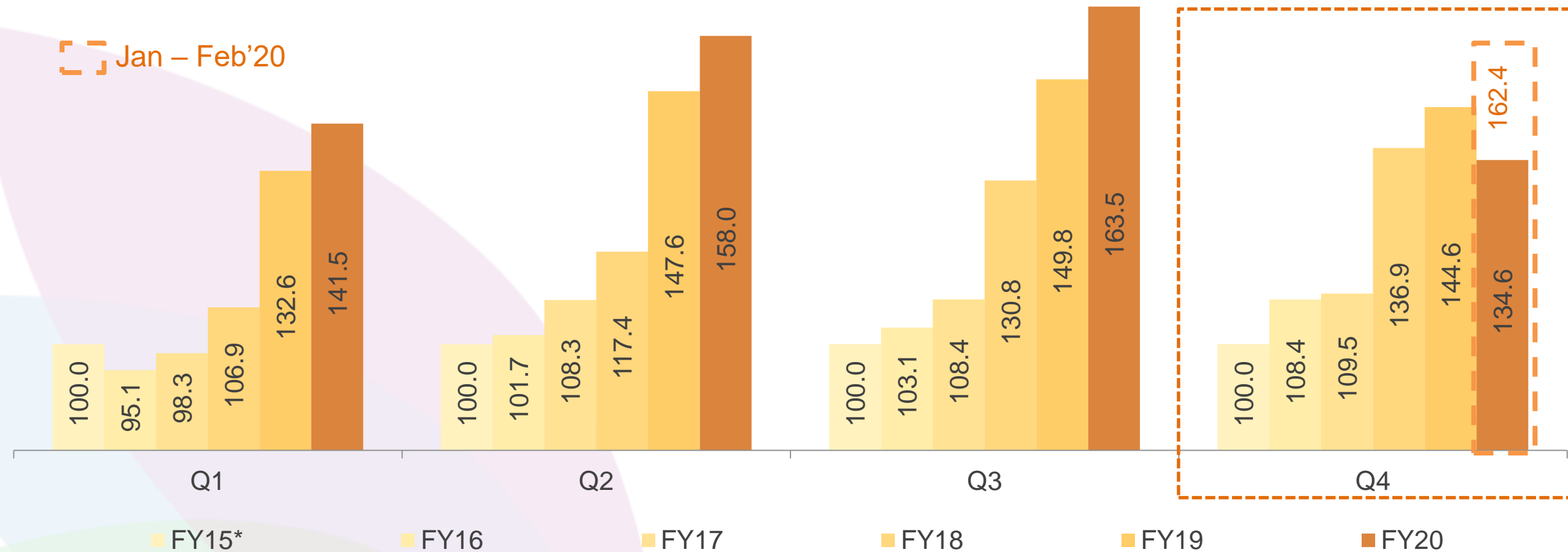


Consistently registering **positive and healthy SSSG for 18 consecutive quarters** (excluding Covid -19 impacted Q4FY20) by focusing on delivering great customer experience and growth across Delivery, McCafe and Breakfast

# Consistent growth of AUV Q-o-Q (except Q4FY20)

60%+ growth in AUV over the past 5 years (excluding Mar'20 due to Covid-19)

Jan – Feb'20



NOTE: \*FY15 SSG normalised to base of 100

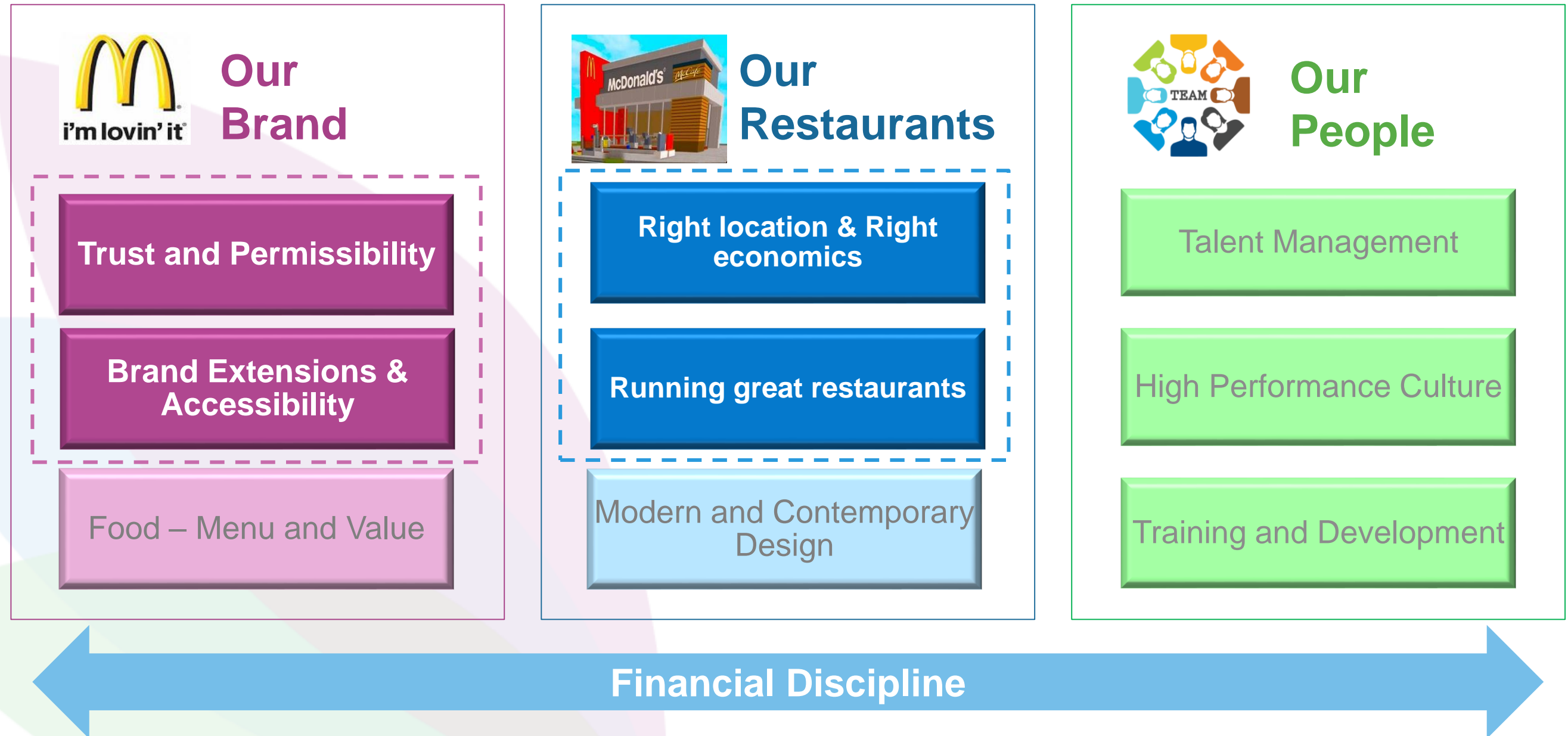
Sustained momentum in same store sales resulted in higher average sales per restaurant (AUV)  
in every quarter, except in Q4FY20, which was impacted due to Covid - 19



# **Q4FY20 & FY20 BUSINESS UPDATE**



# Strategic Levers





# OUR BRAND

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# Q4FY20 Business Highlights



Strengthening our value platform with the introduction of **McSaver Combo offers** for our customers at **Rs 59** and **Rs 89**



Introduced **Eggstival** : Breakfast combos introduced to increase trials and frequency



**McCafé sales** has increased more than **~8x** in last 4 years



Launched an innovative way of **contact - less delivery** during Covid-19 crisis



**McDelivery sales** has increased more than **~6x** in last 4 years



Optimized our app usage by **recommending value offers** based on the trend of customers' past offer redemption on the app



# Strengthening our Value Platform

## McSaver Combo

**McSAVER COMBOS**

Step in to make your own combo at flat ₹59.

**PICK ANY ONE**

- NEW GRILLED CHATPOTA ALDO BURGER
- MASALA WEDGES (small)
- FRIES (small)
- McALDO TIKKI BURGER
- McEGG BURGER
- PIZZA McPUFF™

**ADD ANY ONE**

**FLAT ₹59 ALL INCLUSIVE**

**McSAVER COMBOS**

Step in to make your own combo at flat ₹59.

**PICK ANY ONE**

- NEW GRILLED CHATPOTA ALDO BURGER
- MASALA WEDGES (small)
- FRIES (small)
- McALDO TIKKI BURGER
- McEGG BURGER
- PIZZA McPUFF™

**ADD ANY ONE**

**FLAT ₹59 ALL INCLUSIVE**

**McSAVER COMBOS**

**FLAT AT ₹89**

**PICK ANY ONE**

- CHICKEN CHATPOTA ALDO BURGER
- MEXICAN McALDO TIKKI BURGER
- McEGG BURGER
- CHATPOTA CHICKEN KEGAL MASH
- CHICKEN McNUGGETS 14 PCS
- CHICKEN KEGAL MASH
- CHICKEN STRIPS 12 PCS
- FRIES (small)
- McALDO TIKKI BURGER
- PIZZA McPUFF™
- CHATPOTA ALDO MASH

**ADD ANY ONE**

- COKE™
- FANTA™
- Sprite
- THINK UP™
- GEORGIA ICED TEA™
- DOKE McFLAT™
- FANTA McFLONT™
- PAW NANGO COOLER
- DEITY COOLER
- COFFEE CHOCOLATE SMALL
- AMERICAN SMALL

**FLAT ₹89**

## McBreakfast

**McSAVER BREAKFAST MIX & MATCH**

**PICK ANY ONE**

- Hot Cakes
- Spinach & Corn with Whole Wheat Bun
- Belgian Waffles (2 Pcs)
- Egg & Cheese McMuffin™
- Dosa Masala with Whole Wheat Bun

**ADD ANY ONE**

- Espresso
- Chai Latte
- Cappuccino
- Americano

**FLAT ₹99**

**SAVE UP TO ₹122**

Exclusive combo offers at Rs 99, available in store and on delivery to increase trials and improve frequency



# Creating More Occasions to Celebrate



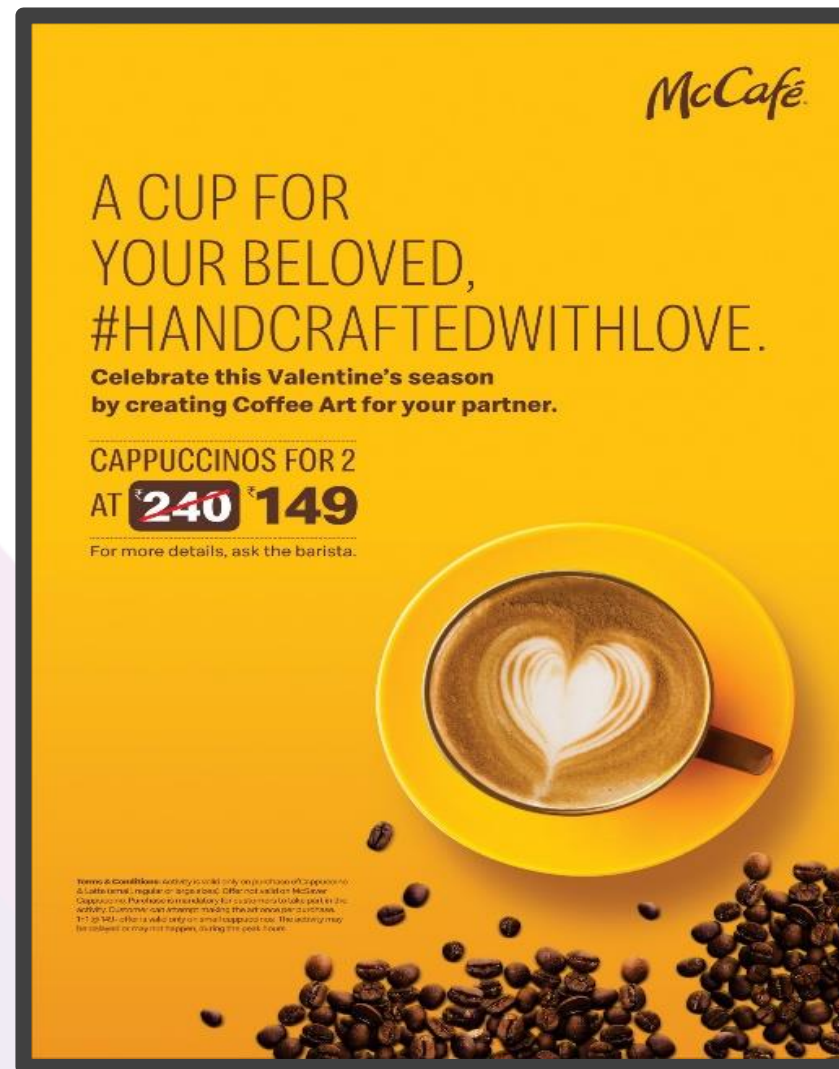
**THE REPUBLIC DAY MEAL**  
FLAVOURS THAT UNITE US

2 MEDIUM MEXICAN McALOO TIKKI™ MEALS ₹269

SAVE UP TO ₹67

ALL PRICES INCLUDE TAXES. Cash & card payments will be charged as per applicable rates. AVAILABLE IN VSD AND NON VSD. Terms and Conditions apply. For details, visit [www.mcdonalds.in](https://www.mcdonalds.in) or call 1800 20 20 20. © 2020 McDonald's India Pvt. Ltd.

Republic Day Meals



McCafe

A CUP FOR YOUR BELOVED,  
#HANDCRAFTEDWITHLOVE.

Celebrate this Valentine's season  
by creating Coffee Art for your partner.

CAPPUCCINOS FOR 2  
AT ₹240 ₹149

For more details, ask the barista.

Terms & Conditions: Activity is valid only on purchases of 2 Cappuccinos. A latte or regular or iced coffee. Offer not valid on McCafe. Cappuccinos are prepared on demand. For customers to take part in this activity, customers can immerse making the art and make a purchase. ₹149 offer is valid only on small cappuccinos. The activity may be subject to change or stop during the peak hours.

Valentine Day offer



McBreakfast  
Exclusive menu till noon

McDonald's

SHARE YOUR LOVE FOR EGGS  
OVER BREAKFAST.

CHOOSE 1 | GET 1 FREE

\* OFFER ONLY AVAILABLE ON TWO OF THE SAME PRODUCTS \*

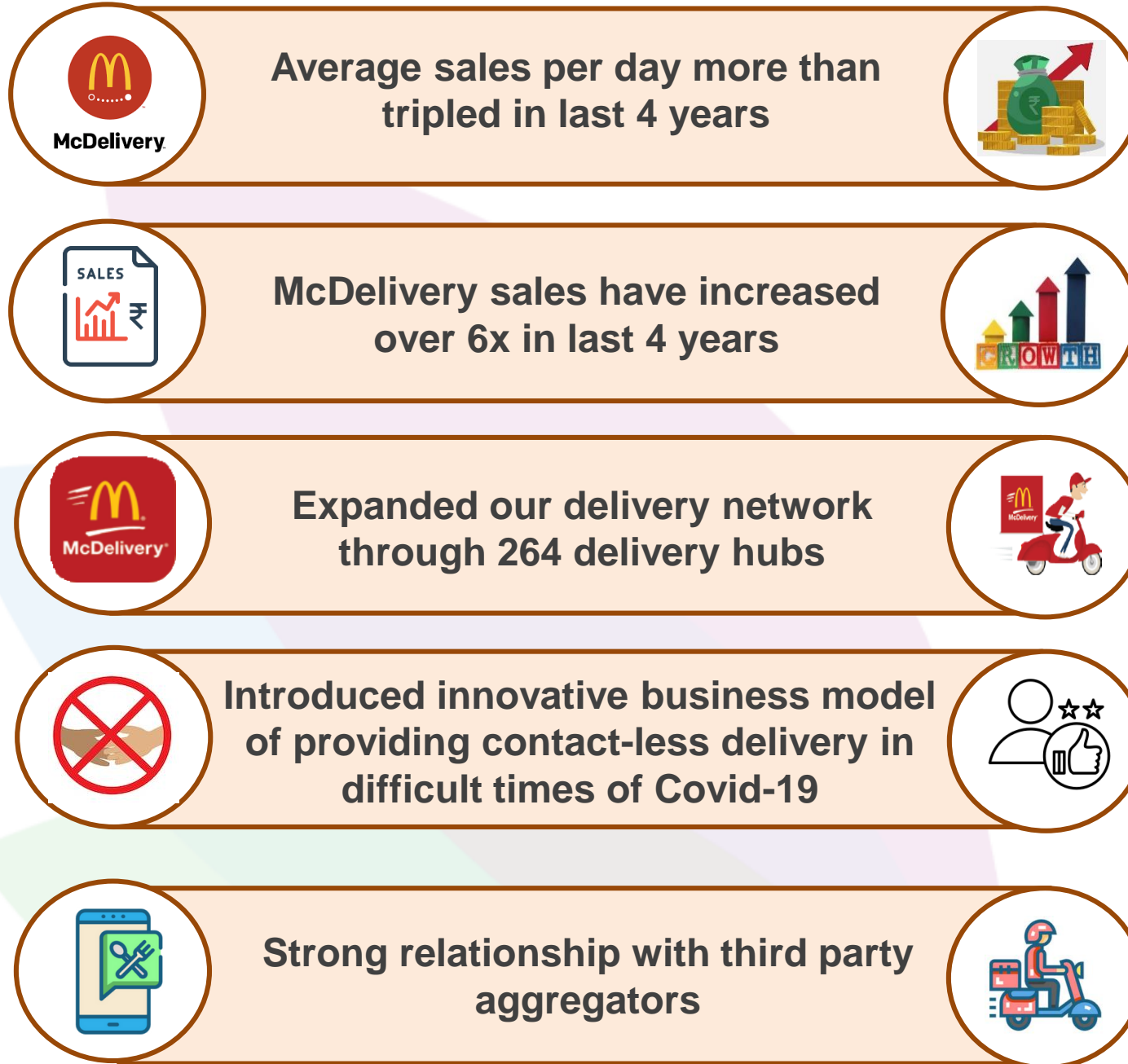
EGGSTIVAL  
16<sup>TH</sup> TO 22<sup>ND</sup> MARCH

- Sausage & Egg McMuffin™
- McEgg™
- Egg & Cheese McMuffin™
- Masala Scrambled Egg
- Classic Scrambled Egg

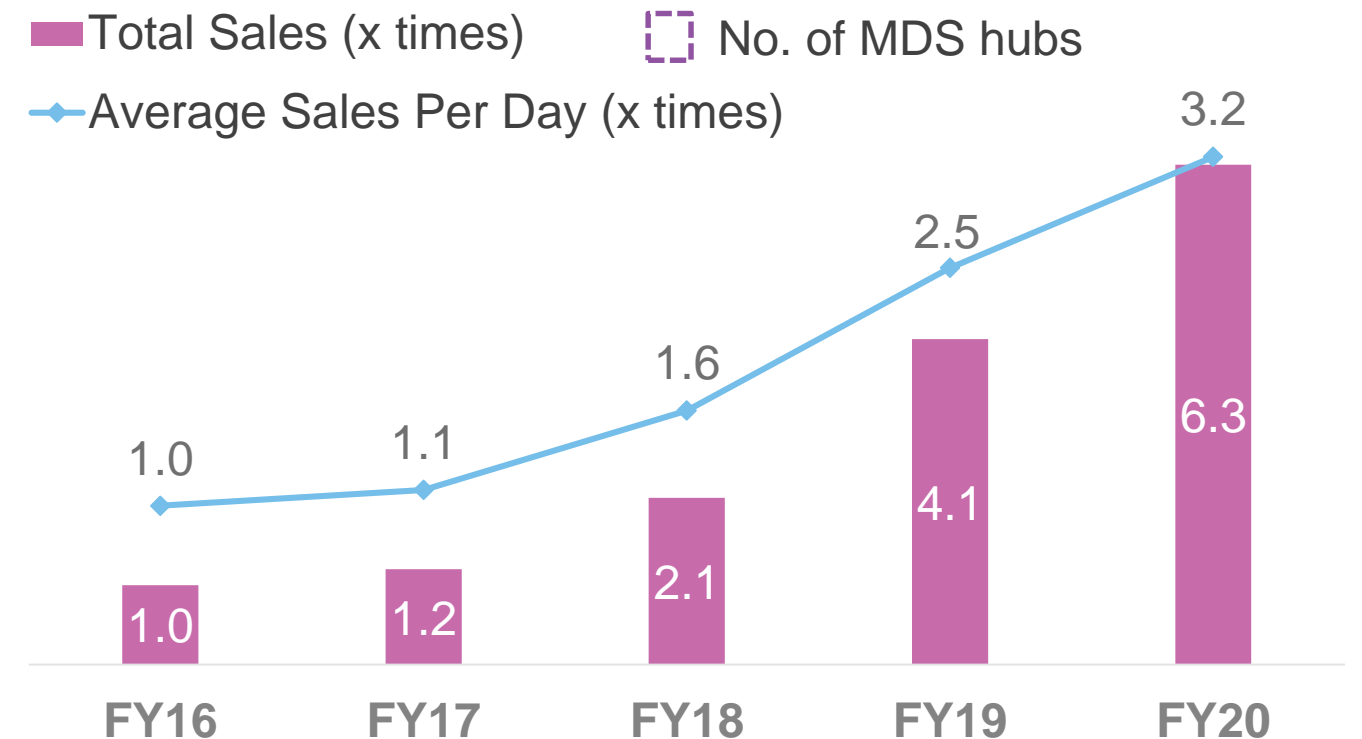
Eggstival



# McDelivery – A Strong Growth Driver



## MDS sales have increased more than 6x in last 4 years



Significant growth from digital channels and tie up with aggregators continue to be accretive

# McCafé - Building a coffee destination

McCafé is the second largest coffee player in India in terms of number of units sold



McCafé sales have increased ~8x in last 4 years



Average sales per day has more than doubled in last 4 years



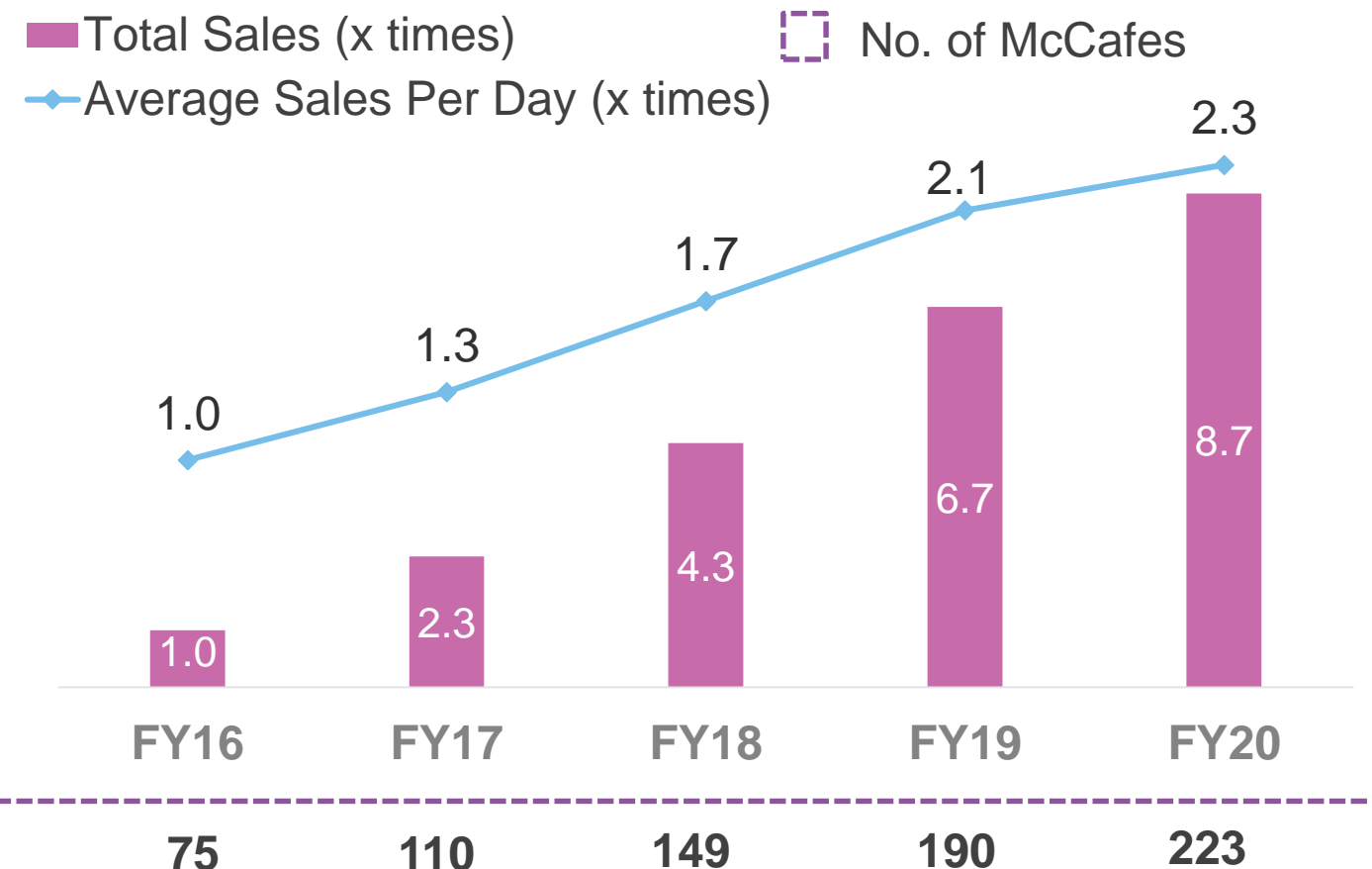
Added 5 McCafés during the quarter, taking the total count to 223 McCafés



Encouraging more trials and increase in GC by offering a great deal to drive frequency



McCafe sales have increased more than 8x in last 4 years



McCafe base of restaurants has increased 3x in 4 years. 223 as of Q4 FY20 including 33 additions in FY20

# Building loyalty through McDonald's App

~3.4 mn total downloads since the launch in Jan 2019, having a healthy redemption rate

Active users of our App increased to ~2.4 times YoY since Q4FY19

Optimized our app usage by recommending value offers based on the trend of customers' past offer redemption on the app

## Offers on our McDonald's App





# OUR RESTAURANTS



Presence in **319** restaurants across **42** cities (as of Mar, 2020)





# Reimaging our Stores

## Modern and Contemporary Restaurant Designs



90% of our restaurants are now of modern and contemporary design

Providing digital experience and table service to our customers through EOTF stores is receiving good traction



EoTF design enhancing customer experience



# OUR PEOPLE



# Our People, Our Asset



## Employee Training

- Employed a total of **10,000+** employees
- **30%+** of our employees are **women**
- The Company invests lot of time and efforts in training its employees. In Q3 the company invested 68,000+ total man-hours in training
  - Programs like **Restaurant Leadership Practices**, **Business Leadership Practices** and various On-Floor and Off Floor trainings for our employees
  - **International Business Leaders workshop**, hosted in Singapore for the restaurant managers to build international exposure and best practices of other countries

**Our Crew are our Superheroes, who were serving the nation with extra care during the difficult period of Covid-19 outbreak**



#ServingTheNationWithExtraCare: Touched **56,000+** lives



We partnered with many NGOs and corporates to distribute safe and hygienic food to police officers, healthcare workers and daily wage earners



**paytm** AND **McDonald's**  
**JOIN HANDS**  
TO SAFELY DELIVER MEALS TO  
FRONTLINE WORKERS IN MUMBAI







# Q4 & FY20 FINANCIALS

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(Q4FY20 and FY20 financials includes impact of Covid-19)



# Impact of IND AS 116 on Profit & Loss Statement

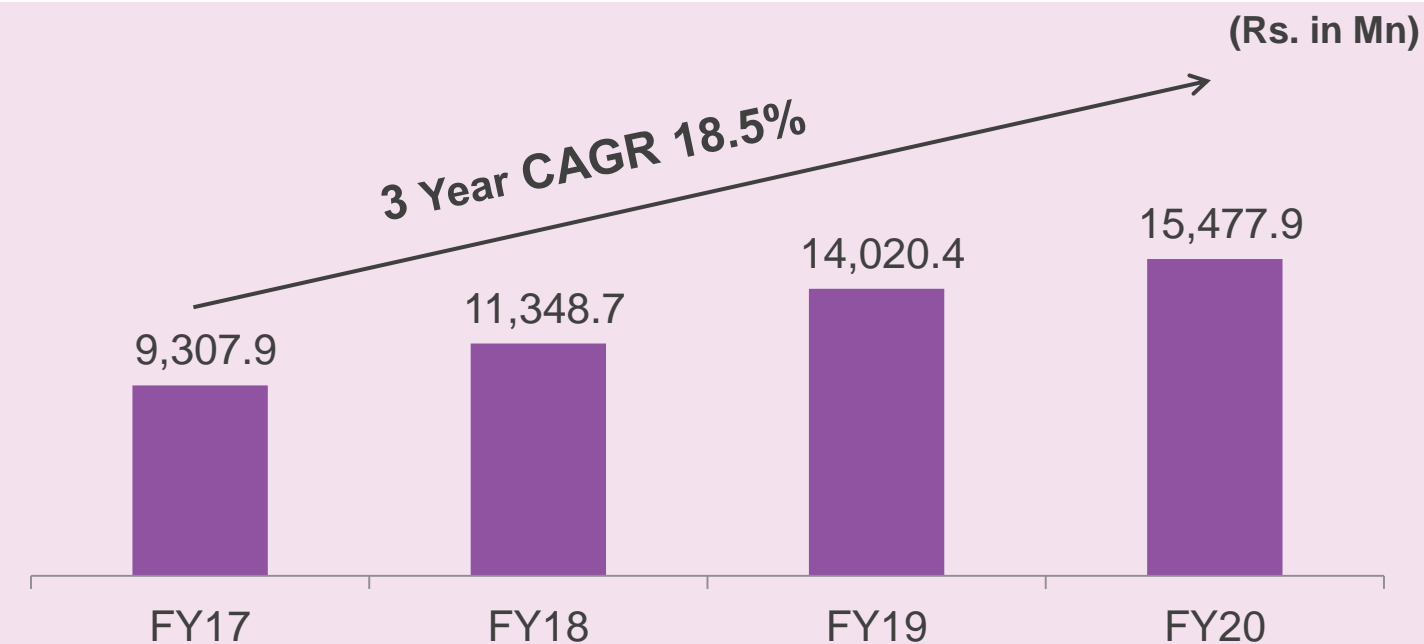
(Rs in Mn)

FY20 Particulars	A Year ended Mar 31, 2020 (excl IND AS 116)	B Changes due to Ind AS 116 increase / (decrease)	C Year ended Mar 31, 2020 (Reported)	D Year ended Mar 31, 2019 (Reported)	YoY Growth % (A over D)
Occupancy and other operating expenses	5,436.8	(748.5)	4,688.3	4,788.0	13.6%
<b>Restaurant operating Margin</b>	2,262.7	748.5	3,011.2	2,021.7	11.9%
General & Administration Expenses	823.3	-	823.3	779.1	5.7%
<b>OPERATING EBITDA</b>	1,439.3	749.3	933.9	1,242.6	15.8%
Financial Expense (Interest & Bank Charges, net)	148.5	659.6	808.2	177.3	(16.2%)
Depreciation	865.7	518.0	1,383.6	797.2	8.6%
<b>Profit before tax</b>	493.5	(428.3)	65.2	351.8	40.3%
Deferred Tax	6.0	(111.1)	(105.1)	125.0	(95.2%)
Income Tax	121.7	7.7	129.3	13.9	(774.0%)
<b>Profit after tax</b>	365.9	(324.9 )	41.0	212.9	71.9%

# Revenue growth trajectory

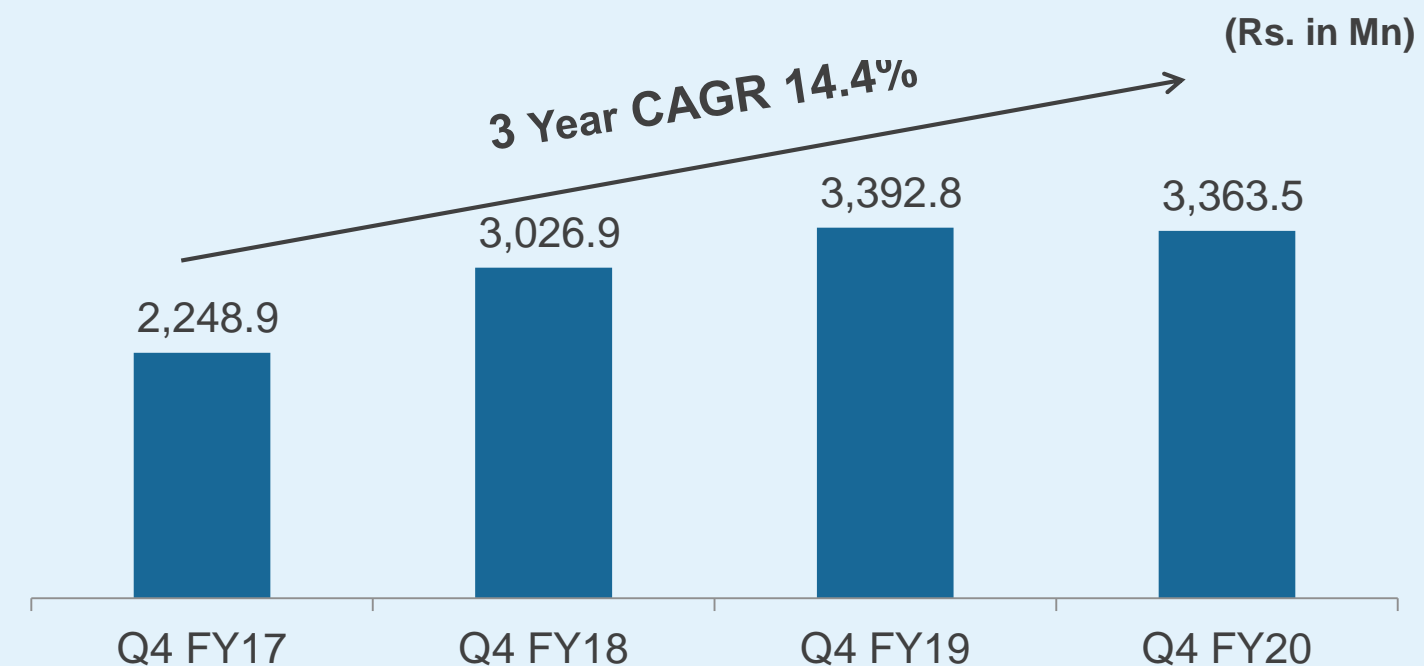
INR Mn	FY20	FY19	Growth
Total Revenue	15,477.9	14,020.4	10.4%

- Consistently focusing and strengthening our value platform and being more relevant to our customer needs thereby rapidly growing topline



INR Mn	Q4 FY20	Q4 FY19	Growth
Total Revenue	3,363.5	3,392.8	(0.9%)

- Revenue for Q4FY20 was impacted by lockdown situation due to Covid-19.
- Jan-Feb'20 SSSG trajectory was 12.3% and sales grew over 20% YoY
- Brand extensions like McDelivery continue to strengthen sales contribution



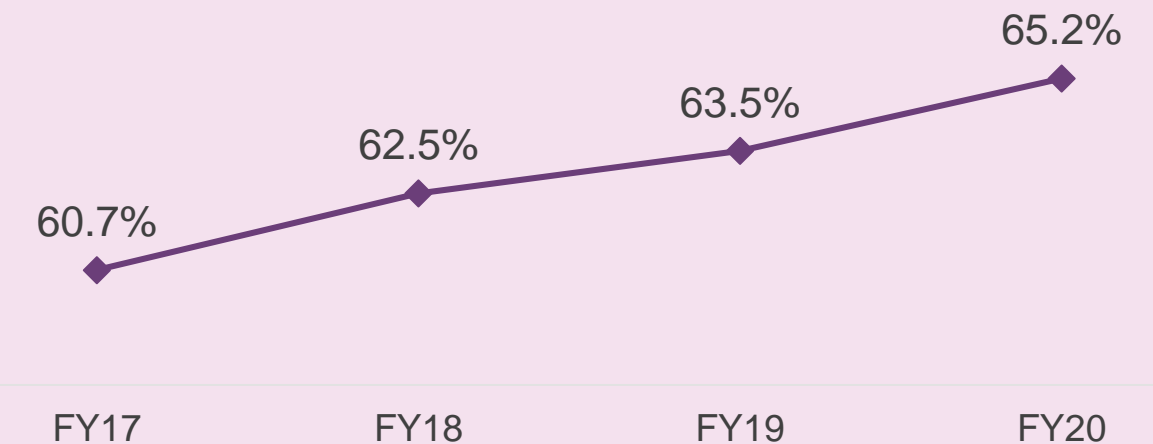
Note: Q4 & FY20 numbers are excluding adjustments arising out of IND AS 116

# Gross Margin Growth

INR Mn	FY20	FY19	Growth
Gross Margins	10,095.4	8,904.6	13.4%
% of Total Revenue	65.2%	63.5%	171 bps

- Continued focus on increasing efficiencies aided in improvement of our gross margins year after year, even in FY20, despite lockdown situation during Q4FY20.

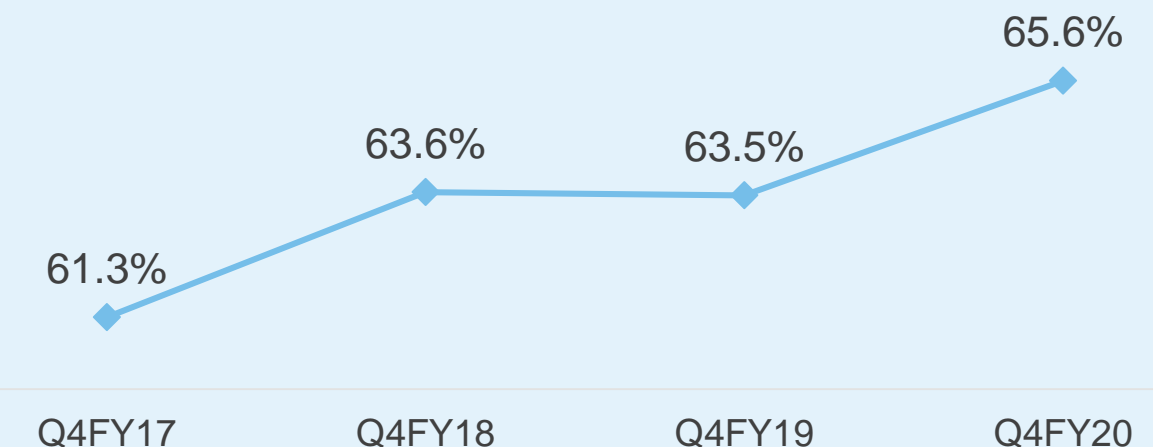
**~450 bps increase in GM over last 3 years**



INR Mn	Q4 FY20	Q4 FY19	Growth
Gross Margins	2,205.6	2,154.3	2.4%
% of Total Revenue	65.6%	63.5%	208 bps

- Supply chain efficiencies and our strong partnership with suppliers helped in improving margins and ensuring assured quality supply of our food during lockdown also.

**~430 bps increase in GM over last 3 years**



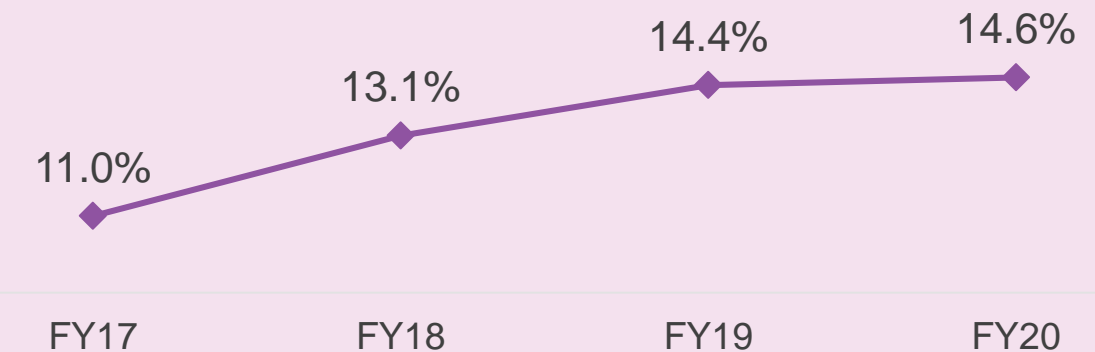
Note: Q4 & FY20 numbers are excluding adjustments arising out of IND AS 116

# Restaurant Operating Margin Growth

INR Mn	FY20	FY19	Growth
RoM	2,262.7	2,021.7	11.9%
% of Total Revenue	14.6%	14.4%	20 bps

- Company has witnessed consistent annual margin expansion. Despite of shutdown of dine-in in Q4FY20, the Company margins expanded marginally.

~360 bps increase in RoM over last 3 years

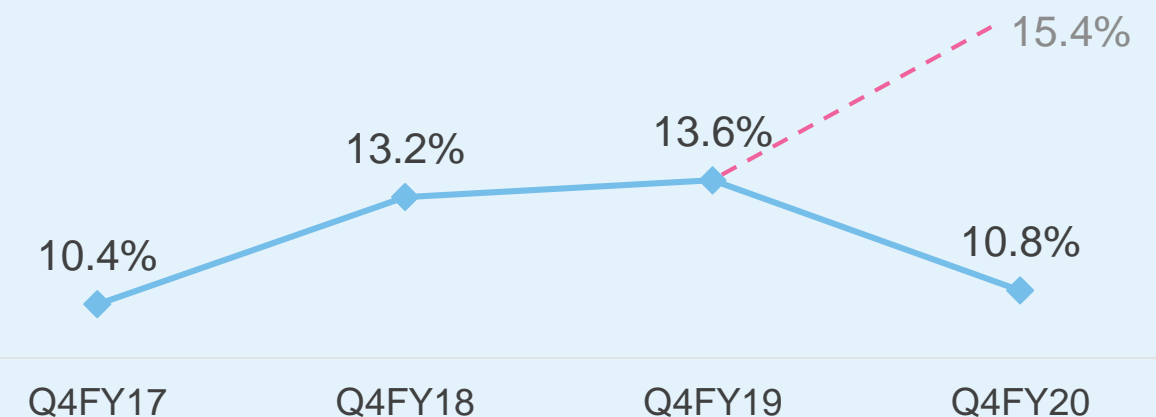


INR Mn	Q4 FY20	Q4 FY19	Growth
RoM	361.9	462.9	(21.8%)
% of Total Revenue	10.8%	13.6%	(288 bps)

- Jan – Feb witnessed a strong trajectory for ROM with margins reaching mid teens, however later due to lockdown in Q4FY20 the overall margins dropped to 10.5%

## Quarterly Restaurant Operating Margin (ROM)

--- Jan – Feb'20



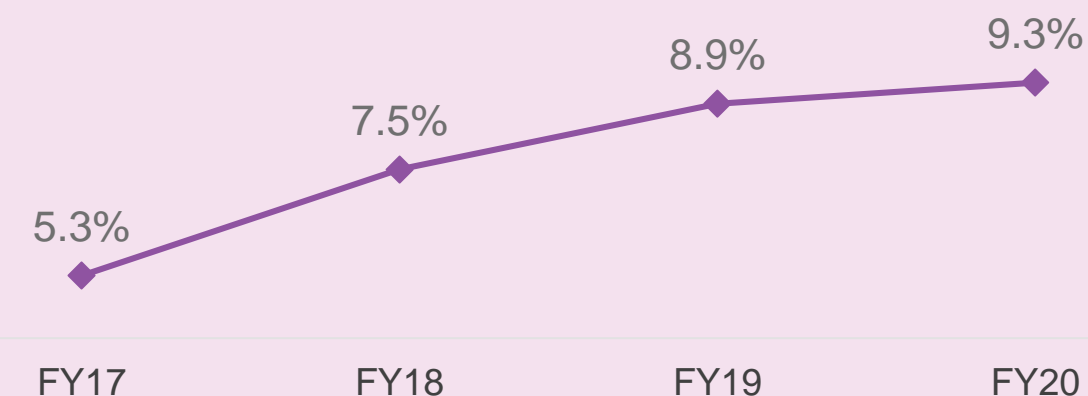
Note: Q4 & FY20 numbers are excluding adjustments arising out of IND AS 116

# Operating EBITDA

INR Mn	FY20	FY19	Growth
Op. EBITDA	1,439.3	1,242.6	15.8%
% of Total Revenue	9.3%	8.9%	44 bps

- Positive margin expansion trajectory continues despite of shutdown of dine-in in Q4FY20.

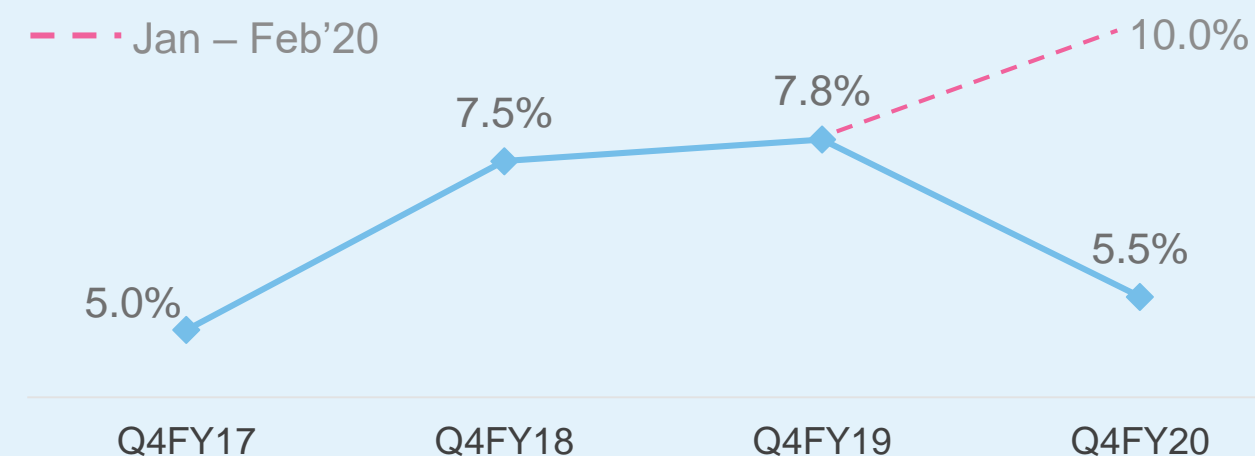
## 400 bps increase in Op. EBITDA over last 3 years



INR Mn	Q4 FY20	Q4 FY19	Growth
Op. EBITDA	184.6	265.4	(30.4%)
% of Total Revenue	5.5%	7.8%	(233 bps)

- Q4FY20 witnessed a drop in margins due to Covid-19. However, the impact was minimised due to higher operating efficiencies as the Company's margin drop was lower than steep fall in margins for some of the other industry peers.

## Sharp positive trajectory in ROM until lockdown in Mar'20



Note: Q4 & FY20 numbers are excluding adjustments arising out of IND AS 116

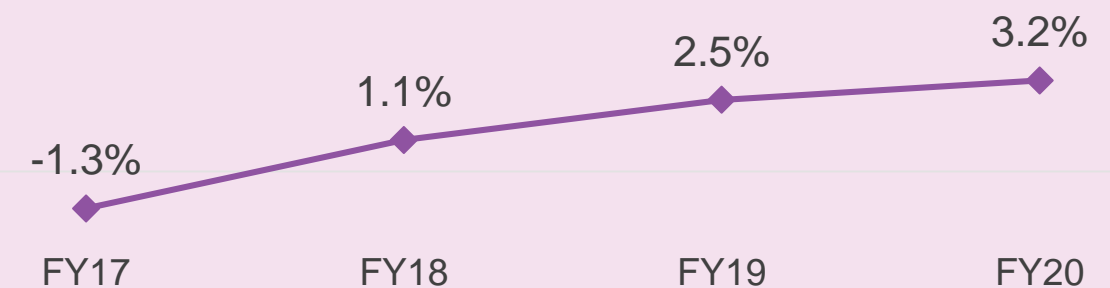


# Profitability (before tax and exceptional items)

INR Mn	FY20	FY19	Growth
PBT	493.5	351.8	40.3%
% of Total Revenue	3.2%	2.5%	68 bps

- FY20 PBT margin continued on the expansion path on back of higher operating efficiencies and strong performances in all quarters (excluding exceptional expense). Also lower finance and depreciation costs have boosted the margin upwards.

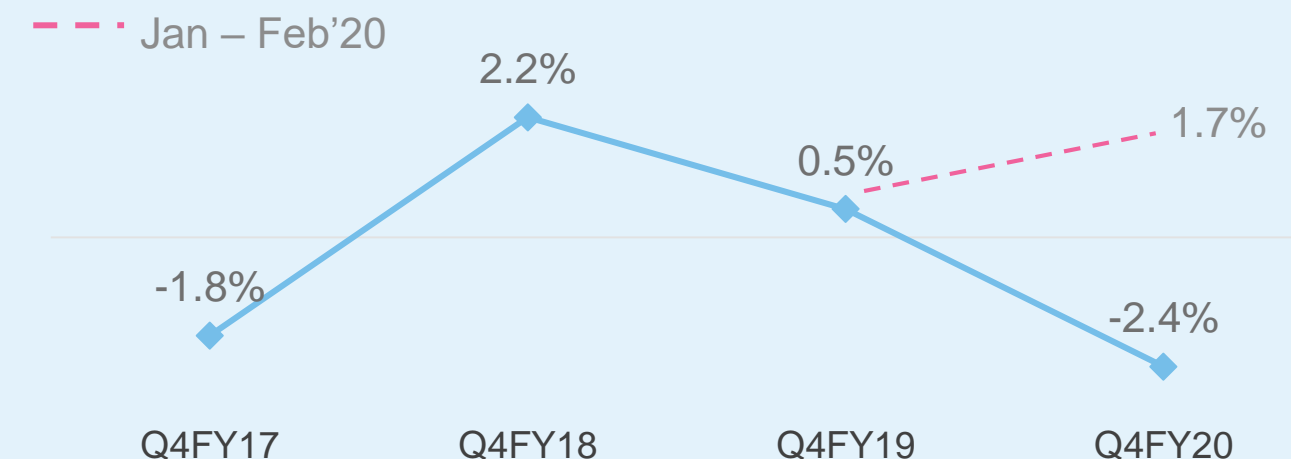
~450 bps increase in PBT over last 3 years



INR Mn	Q4 FY20	Q4 FY19	Growth
PBT	(79.8)	17.6	-
% of Total Revenue	(2.4%)	0.5%	(289 bps)

- Jan – Feb'20 performance highlights the actual improvement in our profitability over Q4FY19 excluding Covid-19 impact.

## PBT Trajectory



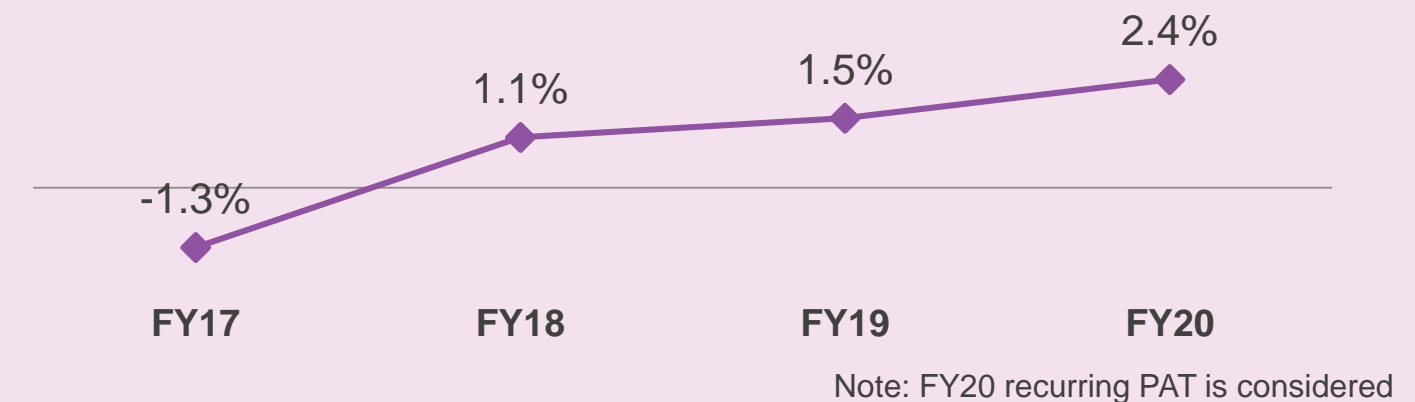
Note: Q4 & FY20 numbers are excluding adjustments arising out of IND AS 116

## Business profitability

INR Mn	FY20	FY19	Growth
Recurring PAT	365.9	212.9	71.9%
% of Total Revenue	2.4%	1.5%	85 bps
Reported PAT	241.5	212.9	13.4%
% of Total Revenue	1.6%	1.5%	(4 bps)

- PAT margins expanded due to higher operating efficiencies and lower finance and depreciation cost throughout the year. **Infact the trajectory was so strong that in 9MFY20, FY19's entire PAT was achieved.**

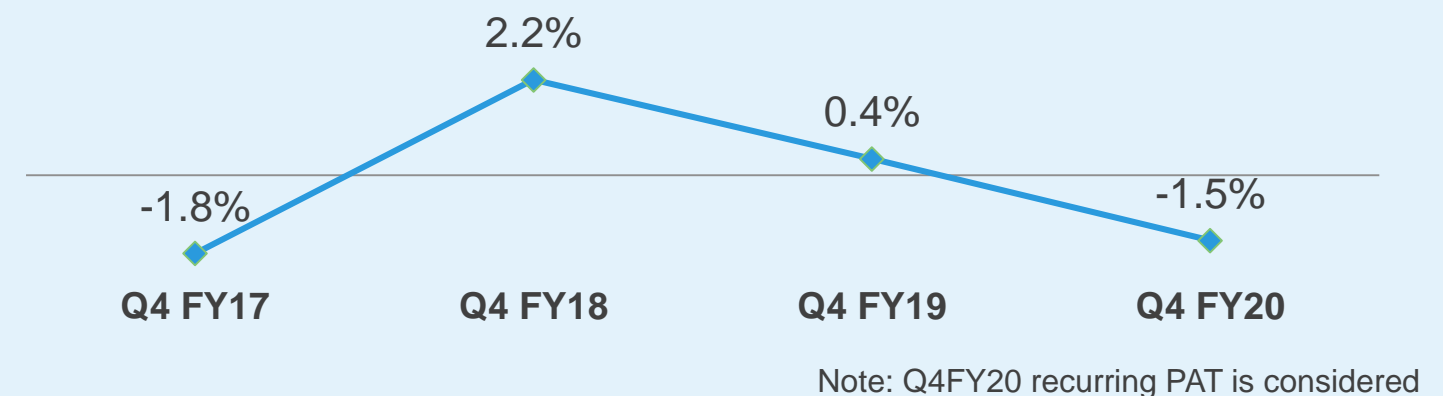
~366 bps increase in PAT over last 3 years



INR Mn	FY20	FY19	Growth
Recurring PAT	(50.5)	12.8	-
% of Total Revenue	(1.5%)	0.4%	(238bps)
Reported PAT	(175.0)	12.8	-
% of Total Revenue	-5.2%	0.4%	(558bps)

- Recurring PAT witnessed a loss due to lower sales and higher expenses in March'20.
- Reported PAT margins contracted due to lockdown in the country wherein few stores were operational, that too only delivery.

~590 bps increase in PAT over last 3 years



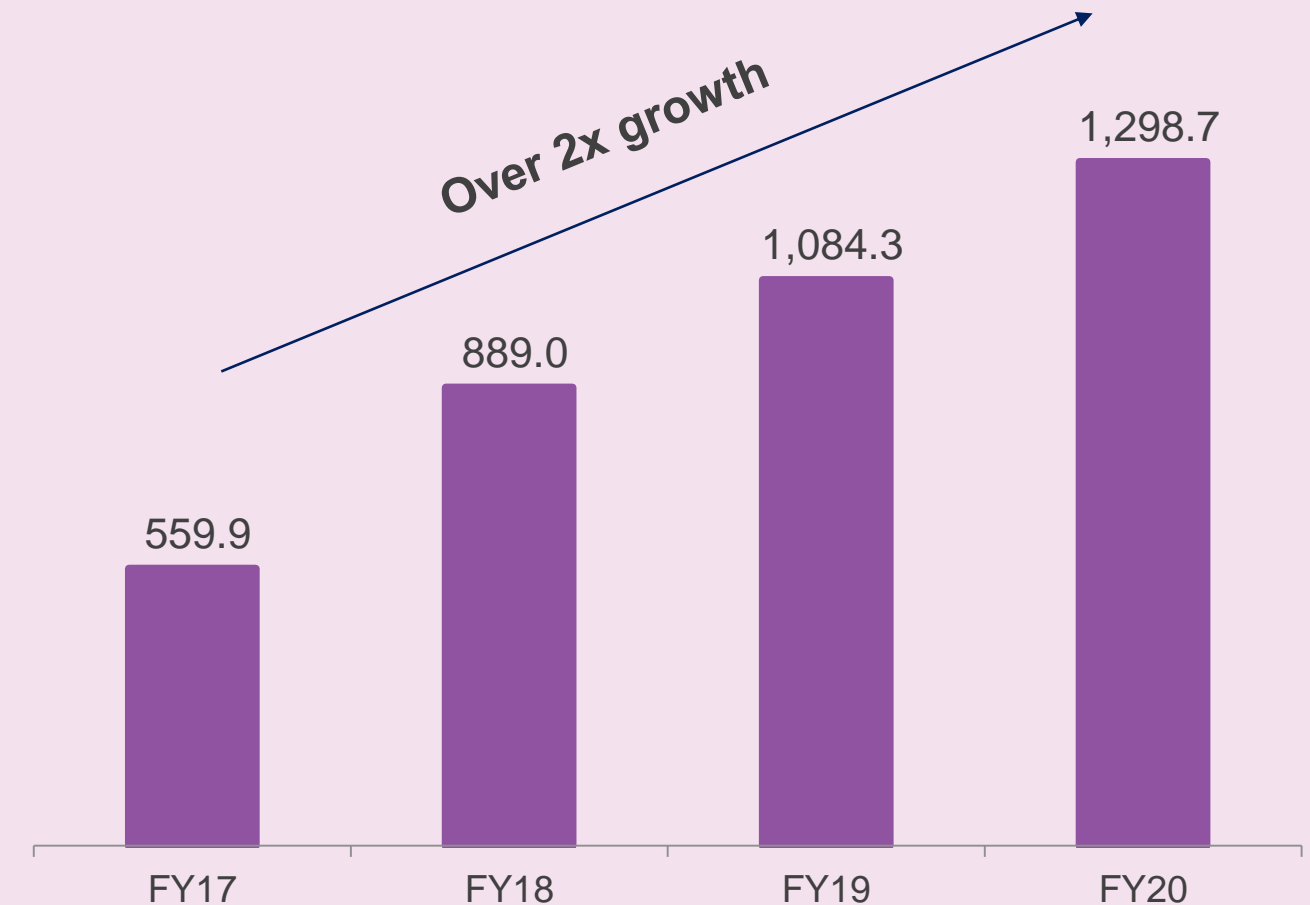
Note: Q4 & FY20 numbers are excluding adjustments arising out of IND AS 116

# Cash Profitability

(Rs. In Mn)

INR Mn	FY20	FY19	Growth
Recurring Cash Profit	1,298.7	1,084.3	19.8%
% of Total Revenue	8.4%	7.7%	66 bps

- FY20 Cash Profit increased largely due to increase in margins throughout the year. Overall cash profits after tax (Recurring) has more than doubled over 3 years.





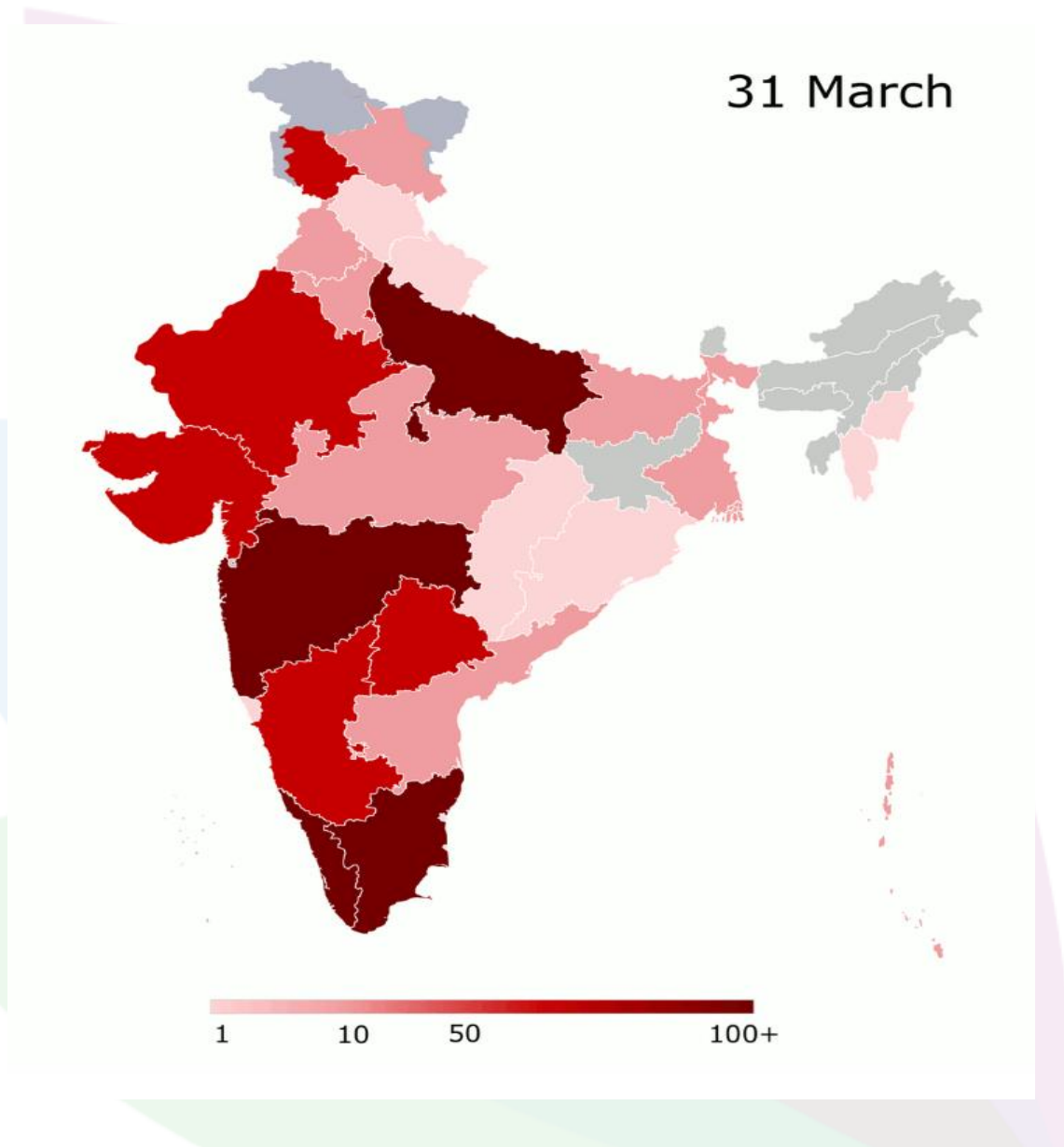
# Plan Ahead – Survival & Revival Strategy

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# Current status of operations

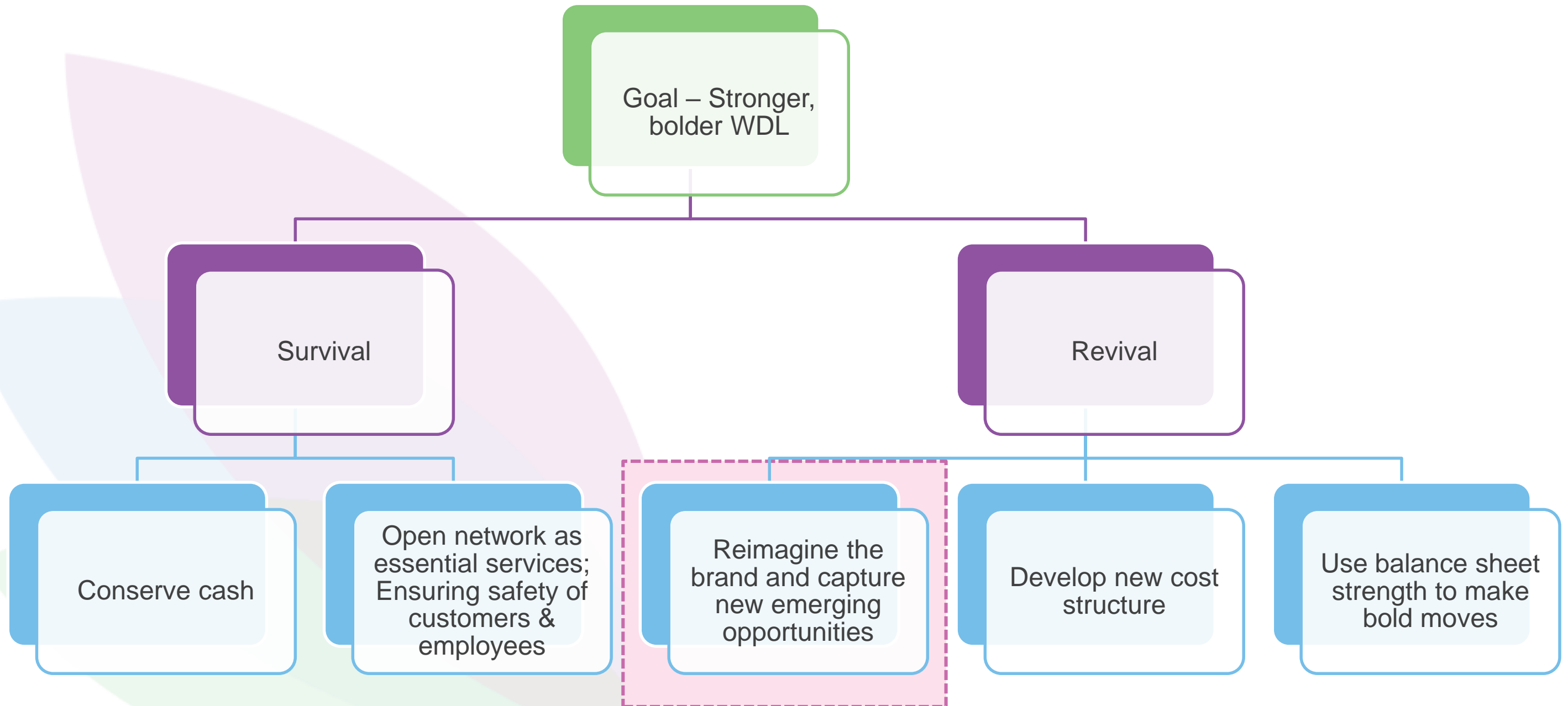
7 out of 8 states we operate in are in the top 15 most impacted states



Business channel	# of stores operational
Delivery	203
Takeaway	203
Dine in	128
Drive Thru	56

Note: As of 8<sup>th</sup> June 2020

# Strategy ahead – Survival & Revival



# Reimagine the brand to capture new emerging opportunities basis new customer expectation

**Trust and transparency will be drivers of choice**

McDonald's has always been one of the most trusted brands enabling us to become

**Higher consumer adoption of digital and technology**

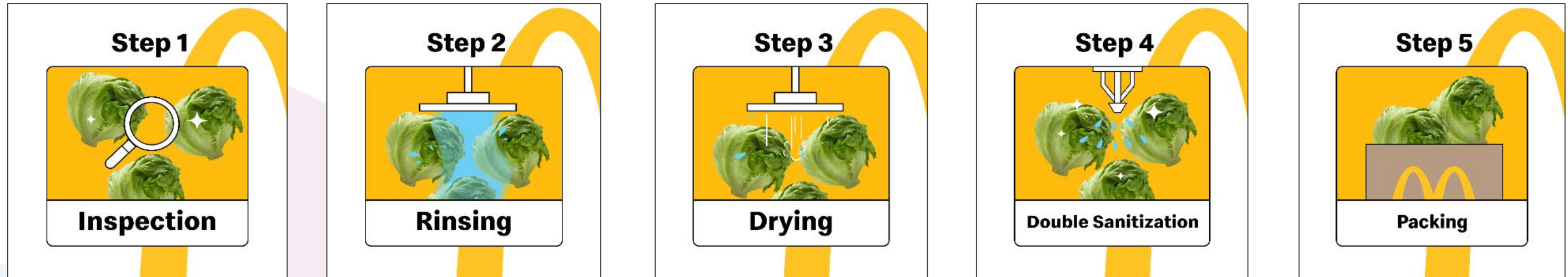
We had spotted this trend and started rolling out EotF 2 years ago. Will double down on digital initiatives now

**Need for convenience will become greater**

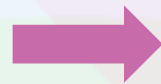
We only have prime real estate with 6 sales channels and a potential 1000+ points of sale in the existing network

# Build trust by highlighting supply chain strength

## Maintaining hygiene at every step



Chicken  
Quality  
Inspection





## And heightened restaurant food safety standards



(West & South)

In times of uncertainty, the safety of our customers and people remains our highest priority





Our employees are trained extensively on cleaning procedures



Food is prepared fresh, only after the order is placed



Our utensils are sanitized every four hours



We have a separate veg and non-veg kitchen with colour-coded cleaning cloths



Caps/hairnets and gloves are mandatory for crew while preparing food



Crew washes hands with an antimicrobial soap every hour for 20 seconds



We have a three sink cleaning process to wash, clean and sanitize separately



Separate colour-coded mops to clean the washrooms and the rest of the restaurant



**#CustomerFirst**  
'Serving Happiness With Extra Care'

## Re-emphasizing on the quality and trust in the brand

**Upholding our promise of serving safe and hygienic food**



Increasing the frequency of sanitization practices in all our restaurants



Sanitizing our tray after every use



Regularly sanitizing all customer touch points like Self-Ordering Kiosk or SOK screen, door handles and hand rails

# New, relevant dine-in experience to build trust

- **Contactless Operations**

- Social Distancing norms will be followed for all staff and customers in the restaurant – restaurants design adapted to enable this
- Temperature checks and check of status of Aarogya Setu app for all restaurant staff before entry
- Protective equipment of Mask and Gloves will be worn by all restaurant staff
- Sanitizer available at key customer touch points



# Consumer expectations are expected to evolve

**Trust and transparency will be drivers of choice**

McDonald's has always been one of the most trusted brands enabling us to become

**Higher consumer adoption of digital and technology**

We had spotted this trend and started rolling out EotF 2 years ago. Will double down on digital initiatives now

**Need for convenience will become greater**

We only have prime real estate with 6 sales channels and a potential 1000+ points of sale in the existing network



# Multiple sales channels help increase convenience



Dine in



Delivery



Takeaway

**1000+** points of access to the brand because we have prime real estate locations and we have developed multiple sales channels



Drive Thru



On the Go



Dessert Kiosks

# And revamped digital experience to provide convenience

## Contactless Delivery

We're keeping  
our deliveries  
clean, safe and  
contactless.  
For you.



SWIPE FOR MORE INFO

## Contactless Take-away

**INTRODUCING THE  
NEW CONTACTLESS  
STORE PICK - UP SERVICE!**

Open the McDelivery™ app and select 'Store Pick - Up'

Select a store and a time slot to place your order.

Order and pay for your meal online.

Collect your order contactless at the store.

**SERVING HAPPINESS  
WITH  
EXTRA CARE**

Travel history and health conditions of our crew are constantly monitored, assuring you of a safe service.

- Your food is never touched with bare hands.
- Our fresh produce is thoroughly cleaned and sanitized.
- Our food is prepared fresh, right when you order it.
- Our veg and non-veg kitchens are separate.

## Contactless Drive-Thru Pick up

**DRIVE THRU  
NOW OPEN**

1 Enter the Drive Thru Lane

2 Check the Menu

3 Place your Order

4 Collect your Order

**IN-STORE DINE-IN IS CLOSED TEMPORARILY**

**SERVING HAPPINESS  
WITH  
EXTRA CARE**

Travel history and health conditions of our crew are constantly monitored, assuring you of a safe service.

- Your food is never touched with bare hands.
- Our fresh produce is thoroughly cleaned and sanitized.
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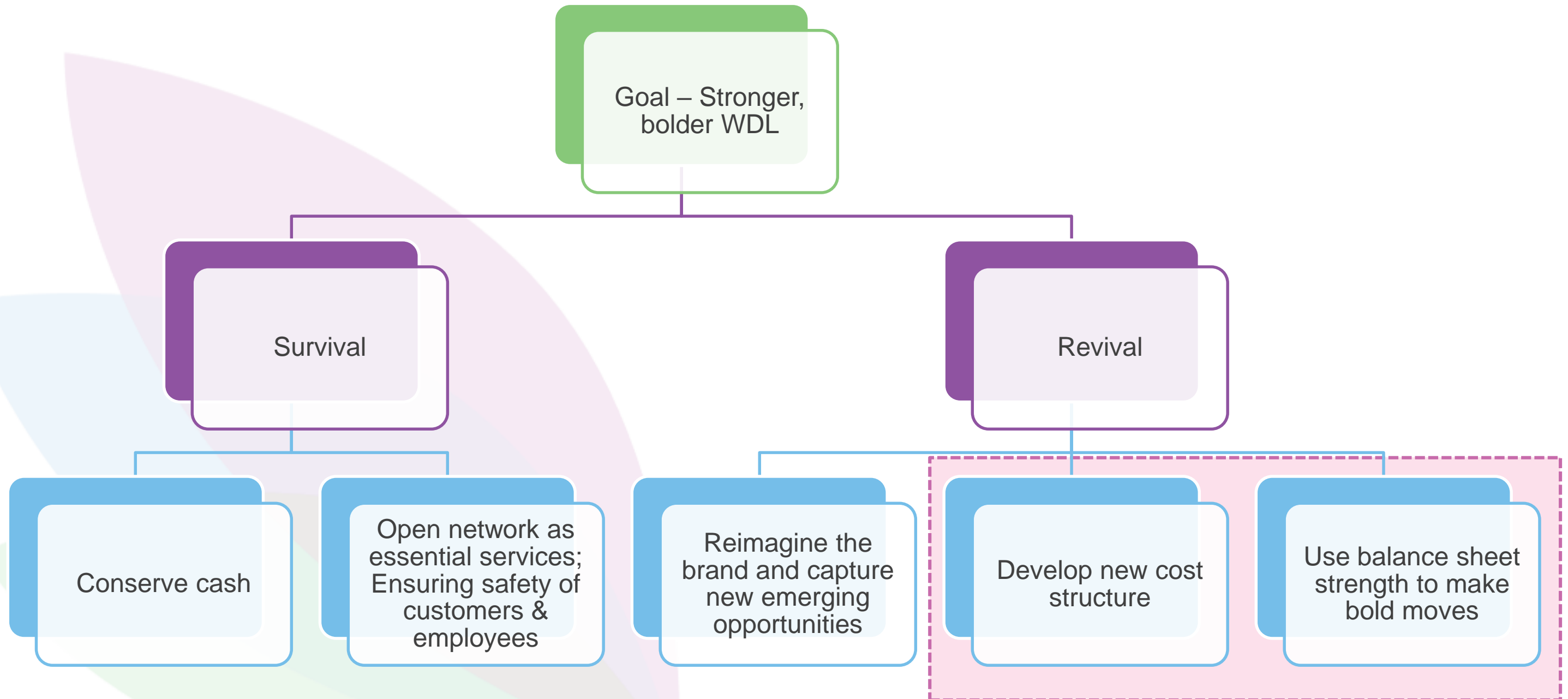
Convenience platform contributed ~45 - 50% to sales in FY20

And revamped digital experience to provide convenience

A new point of sale added – McDonald's On the Go  
Operational in 177 restaurants now



# Strategy ahead – Survival & Revival





# Financial Structuring

## Cost Optimisation

- Reducing operating fixed costs
- Optimising supply chain costs to improve gross margin

## Cash Conservation

- Working on rebates and discounts
- Responsible capex spending

## Protect EBITDA Margin & accelerate it

- Strong bounce back
- Driving operating efficiencies

## Healthy Balance Sheet

- Strong cash flows
- Lower leverage on balance sheet
- Healthy financial ratios

## Strong balance sheet KPIs

	FY2019	FY2020
Asset Turnover (x)	1.4	1.5
Inventory Turnover (x)*	17	19
EBITDA to Interest Payments (x)	7.7	9.8

*Note: \* Inventory Turnover impacted due to lockdown in March'20; Inventory Turnover ratio is calculated on Food cost only*

# Outlook for FY21

## Revenue Growth



- ✓ Convenience platform (McDelivery, Takeout and Drive – thrus) is one of our strong foundation for bounce back
- ✓ Multiple occasions driven by menu and value will aid AUV growth
- ✓ Integrated digital strategy to enhance customer experience

- Continue to drive operating efficiencies and reducing fixed costs
- Drive ROM & Op. EBITDA margin improvements
- Healthy cash flows and strong balance sheet

## Profitability



**Committed towards achieving Vision 2022**

## THANK YOU

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### IR Contact

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# Annexure 1: Black Swan Event : Covid-19

- CY2020 – The year of Covid – 19; impacting 200+ countries across the globe
- 30<sup>th</sup> January 2020 – India saw it's first case of Covid-19 in India
- 22<sup>nd</sup> March 2020 – Nationwide janta curfew (the beginning of adverse impact on Indian economy)
- 14<sup>th</sup> April 2020 – Nationwide lockdown extended till 3<sup>rd</sup> May 2020
- 1<sup>st</sup> May 2020 – Nationwide lockdown yet again extended till 17<sup>th</sup> May 2020
- West and South India regions were the most affected having 60%+ of the India cases by 31<sup>st</sup> March 2020.
- Closures in malls, retail places gradually started since 14-15<sup>th</sup> March'20 and have been closed since then.
- CY2020 – The year of Covid – 19; impacting 200+ countries across the globe

