



PRESS RELEASE

FOR IMMEDIATE CIRCULATION

## WESTLIFE DEVELOPMENT REPORTS REVENUE GROWTH OF 13.9% FOR APR-JUN

***Clocks in eighth consecutive quarter of positive SSSG growth,  
At 8.7% comparable sales growth highest in over four years***

**Mumbai, August 1, 2017:** Westlife Development Limited (BSE: 505533) owner of the Master Franchisee of McDonald's restaurants in west and south India, today announced unaudited financial and operating results for the quarter ended June 30, 2017, based on application of Ind-AS. The results were taken on record by the Board of Directors at a meeting held in Mumbai.

***Commenting on the financial results for the first quarter ended June 30, 2017, Mr. Amit Jatia, Vice-Chairman of Westlife Development Limited said, "We are extremely delighted to announce that our restaurants clocked in an impressive 8.7% same store sales growth in the Apr- Jun quarter, making this not only the eighth consecutive quarter of positive sales growth for the company, but also the highest comparable growth in over four years.***

*This excellent operational performance has led to a 13.9% growth in revenues to 2623.2 million and steered the company to a net profit of Rs 2.2 million. Our results are living proof of the fact that we have engineered a robust business model that is equipped to manoeuvre a tough environment and excel in good market scenarios.*

*The investments we made in our business, processes and people are bearing fruit. McCafé and McDelivery have been the strategic levers that have yielded excellent results. McCafé has seen the highest average daily sales during the quarter since its inception. McDelivery continues to brisk at a brisk pace. Our value platforms have, as always delivered excellent results with the Happy Price Combo being the star this quarter."*

Brand and Menu innovations have helped McDonald's to draw, retain and enhance our customer base. During this quarter McDelivery took a quantum leap forward and got on-board aggregators like Swiggy and Zomato to expand its reach.

The company has been rapidly growing its McCafé footprint, with 10 McCafé's being added in the quarter, taking the total count to 121. McCafé has been instrumental in helping the company broaden its addressable market and grow baseline sales.



The company also added 3 new restaurants in Q1FY18, taking the total count to 261 in the West and South of India with the aim of having 450-500 restaurants by 2022.

During the quarter under review, the company was rated as one of the top 30 organisations to work for in India- this is a noteworthy recognition of our endeavour towards acquiring and developing talent and then providing this talent a conducive environment to work and flourish in.

#### **FINANCIAL HIGHLIGHTS FOR QUARTER ENDED JUNE 30, 2017:**

- Revenue growth 13.9 per cent year-over-year to ₹2,623.2 million riding on the strong performance of its subsidiary, Hardcastle Restaurants Pvt. Ltd. (HRPL)
- SSSG at four-year high of 8.7 per cent for the quarter as against positive 3.4 per cent in the same quarter last year.
- Operating EBIDTA stood at ₹ 148 million as against ₹ 109.1 million in the same quarter of the previous year, recording a growth of 35.6 per cent.
- Profit After Tax at ₹2.2 million.
- Cash Profit of ₹182 million as against ₹136 million in the same quarter of the previous year, recording a growth of 33.8 per cent.
- 3 new restaurants and 10 McCafés inaugurated in Q1FY18 taking total count to 261 and 121 respectively.
- HRPL rated number 30 on India's Best Companies to Work for 2017.

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**NOTE TO THE EDITORS:** Westlife Development Limited and Hardcastle Restaurants follow an April-March fiscal year. The results reported are for the first quarter for the fiscal year 2018.

#### **THE FOLLOWING DEFINITIONS APPLY TO THESE TERMS AS USED THROUGHOUT THIS RELEASE:**

<sup>[1]</sup> Comparable sales (SSSG) represent sales at all restaurants operated by the Company, in operation at least thirteen months excluding those temporarily closed. Some of the reasons restaurants may be temporarily closed include reimaging or remodeling, rebuilding, road construction and natural disasters. The number of weekdays and weekend days, referred to as the calendar shift/trading day adjustment, can impact comparable sales. In addition, the timing of holidays also can impact comparable sales.

<sup>[2]</sup> Restaurant Operating Margin represents the total revenue of company operated restaurants less the operating costs of these restaurants (including royalty etc.) before depreciation and corporate overheads; expressed as a percent of total revenue.



# Westlife Development Limited

## Consolidated Financial Summary as per Ind-AS for the quarter ended June 30, 2017

(Rs. in millions)

Particulars	For the Quarter ended June 30, 2017		For the Quarter ended June 30, 2016		Growth
	Amount	%	Amount	%	
<b>Revenues</b>					
Sales by company owned restaurants	2,600.1		2,262.7		14.9%
Other Operating Income - Restaurants	23.1		39.9		-42.1%
<b>Restaurants operating Revenues (A)</b>	<b>2,623.2</b>		<b>2,302.6</b>		<b>13.9%</b>
Other Trading & Leasing revenues (B)	-		-		
<b>Total Revenues (A) + (B)</b>	<b>2,623.2</b>		<b>2,302.6</b>		<b>13.9%</b>
<b>Operating Costs and Expenses</b>					
<b>Restaurant Operating Cost and Expenses</b>					
Food & Paper	1,046.0	39.9%	917.9	39.9%	13.9%
Payroll and Employee benefits	297.0	11.3%	238.7	10.4%	24.4%
Royalty	103.3	3.9%	89.9	3.9%	0.00%
Occupancy and other operating expenses	906.7	34.6%	811.9	35.3%	11.6%
<b>Total Restaurant Operating Cost and Expenses</b>	<b>2,353.0</b>	<b>89.7%</b>	<b>2,058.4</b>	<b>89.4%</b>	<b>14.3%</b>
<b>Restaurant Operating Margin</b>	<b>270.2</b>	<b>10.3%</b>	<b>244.2</b>	<b>10.6%</b>	<b>10.6%</b>
General & Administrative expenses	122.2	4.7%	135.1	5.9%	(9.5)%
<b>Total Operating costs and expenses</b>	<b>2,475.2</b>	<b>94.4%</b>	<b>2,193.5</b>	<b>95.3%</b>	<b>12.8%</b>
<b>Operating EBIDTA</b>	<b>148.0</b>	<b>5.6%</b>	<b>109.1</b>	<b>4.7%</b>	<b>35.6%</b>
Other (income)/expenses, (net)	(65.5)	(2.5)%	(56.4)	(2.5)%	16.00%
Assets written off for closure / rebuild of restaurants	11.1	0.4%	-	0.0%	100.00%
<b>EBIDTA</b>	<b>202.4</b>	<b>7.7%</b>	<b>165.5</b>	<b>7.2%</b>	<b>22.2%</b>
Net Financial Expense (Interest & Bank Charges)	39.1	1.5%	36.8	1.6%	6.2%
Depreciation	159.9	6.1%	160.8	7.0%	(0.6)%
<b>Profit / (Loss) before Tax</b>	<b>3.4</b>	<b>0.1%</b>	<b>(32.1)</b>	<b>(1.4)%</b>	<b>110.6%</b>
Tax Expense	1.2	0.0%	(11.1)	(0.5)%	(110.6)%
<b>Profit / (Loss) after Tax</b>	<b>2.2</b>	<b>0.1%</b>	<b>(21.0)</b>	<b>(0.9)%</b>	<b>110.7%</b>
Other Comprehensive Income as per Ind-AS (net of income tax)	0.7	0.0%	1.1	0.0%	(35.8)%
<b>Total Comprehensive Income as per Ind-AS</b>	<b>2.9</b>	<b>0.1%</b>	<b>(19.9)</b>	<b>(0.9)%</b>	<b>114.6%</b>
<b>Cash Profit</b>	<b>182.0</b>	<b>6.9%</b>	<b>136.0</b>	<b>5.9%</b>	<b>33.7%</b>



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**About Westlife Development:**

Westlife Development Limited (BSE: 505533), focuses on putting up and operating Quick Service Restaurants (QSR) in India through its subsidiary Hardcastle Restaurants Pvt. Ltd. (HRPL). The Company operates a chain of McDonald's restaurants in west and south India, having a master franchisee relationship with McDonald's Corporation USA, through the latter's Indian subsidiary. Marquee investors such as Arisaig India Fund Ltd, SBI Mutual Fund, Tree Line Asia Master Fund (Singapore) and Ward Ferry Fund, among others are stakeholders in WDL.

**About Hardcastle Restaurants:**

Hardcastle Restaurants Pvt. Ltd. (HRPL) is a McDonald's franchisee with rights to own and operate McDonald's restaurants in India's west and south markets. HRPL has been a franchisee in this part of India since its inception in 1996.

HRPL serves approximately 185 million customers, annually, at its 261 (as of June 30, 2017) McDonald's restaurants across 36 cities in the states of Telangana, Gujarat, Karnataka, Maharashtra, Tamil Nadu, Kerala, Chhattisgarh, Andhra Pradesh, Goa and parts of Madhya Pradesh, and provides direct employment to over 7,000 employees. McDonald's operates through various formats and brand extensions including standalone restaurants, drive-thru's, 24/7, McDelivery, dessert Kiosks. The menu features Burgers, Finger Foods, Wraps, Hot and Cold Beverages besides a wide range of desserts. Several of the McDonald's Restaurant feature in-house McCafé.

The pillars of the McDonald's system – Quality, Service, Cleanliness and Value – are evident at each of the restaurants where HRPL operates.

**Disclaimer:**

This document by Westlife Development Ltd ('the Company') contains forward-looking statements that represent our beliefs, projections and predictions about future events or our future performance. Forward-looking statements can be identified by terminology such as "may," "will," "would," "could," "should," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict," "potential," "continue," "expected," "outlook," "future" or the negative of these terms or other similar expressions or phrases or their variations. These forward-looking statements are necessarily subjective and involve known and unknown risks, uncertainties and other important factors that could cause our actual results performance or achievements or industry results to differ materially from any future results, performance or achievement described in or implied by such statements. The forward-looking statements contained herein include statements about the Company's business prospects, its ability to attract customers, its affordable platform, its expectation for revenue generation and its outlook. These statements are subject to the general risks inherent in the Company's business. These expectations may or may not be realized. Some of these expectations may be based upon assumptions or judgments that prove to be incorrect. In addition, the Company's business and operations involve numerous risks and uncertainties, many of which are beyond the control of the Company, which could result in the Company's expectations not being realized or otherwise materially affect the financial condition, results of operations and cash flows of the Company. The forward-looking statements are made only as of the date hereof, and the Company does not undertake any obligation to (and expressly disclaims any obligation to) update any forward-looking statements to reflect events or circumstances after the date such statements were made, or to reflect the occurrence of unanticipated events.