



Westlife Foodworld posts record sales of Rs. 6.1 bn in Q3 FY23, backed by strong 20% Same Store Sales growth

Highlights of quarter ended December 31, 2022

- Record-breaking quarterly Sales at Rs.6.1bn, up 28% YoY
- Op. EBITDA at Rs. 1103 mn grew 32% YoY; Op. EBITDA margin at 18%
- Cash PAT at Rs. 753mn grew 21% YoY; Cash PAT margin at 12.3%
- Avg. Sales Per Store in trailing 12 months stood at Rs. 64.7mn; SSSG was 20% YoY
- On Premise business grew 42% YoY

Mumbai – January 31, 2023: Westlife Foodworld Limited ("WFL"), formerly known as Westlife Development (BSE: 505533) ("WDL"), owner and operator of McDonald's restaurants in West and South India, has announced its financial results for the quarter ended **December 31, 2022**.

In the quarter under review, the company's recorded an all-time high sales of Rs. 6.1bn, an increase of 28% Y-o-Y. Westlife's Average Sales per Store in trailing 12 months stood at Rs. 64.7mn vs Rs. 47.7mn last year. The company reported 20% YoY Same Store Sales Growth (SSSG) on the back of a significant increase in dine-in guest counts.

The company saw broad-based growth across channels with menu innovations playing a key role in this growth. With the highest-ever sales in October and December, Westlife exceeded Rs. 2bn average monthly sales. The company's off-premise business continued to clock double-digit growth while maintaining its streak of steady growth in the on-premise business. Its on-premise business witnessed 42% YoY growth and a 23% growth over pre-Covid base, while the off-premise business grew by 12% YoY and 85% over pre-Covid base. On the back of various initiatives and operational improvements, the company's own delivery channel, the McDelivery platform, continued to outperform with a rising user base.

The Restaurant Operating Margin stood at Rs. 1,457mn, showing a healthy growth of 35% YoY. The company's Operating EBITDA jumped 32% YoY to clock Rs. 1,103mn. Cash Profit After Tax for the quarter stood at Rs. 753mn, which is 21% higher than last year. Westlife's gross margin at 66.9% improved by 52 bps YoY and 141 bps sequentially, led by pricing flow through.

Mr. Amit Jatia, Vice-Chairman of Westlife Foodworld Limited, said, *"We are pleased to witness yet another robust quarter on the back of significant menu innovations and superior execution. We have stepped up our investments in modernizing our stores to EOTF formats which are more relevant for today's digital-savvy customers. Our digital channels thereby continued to show strong growth, demonstrating healthy customer adoption. Going forward, we believe that menu innovations, omnichannel presence, and cost leadership will continue to be the key growth drivers for us as we work towards redefining the QSR industry."*

Westlife opened six new restaurants in the third quarter of FY23. The company is on a fast track to add 35-40 new restaurants in FY23 and 580-630 new restaurants by 2027.

The company launched several new brand campaigns over the last quarter, including the “Festivals Make Families” brand affinity campaign and the McCheese menu. It also launched the new KITKAT product range in collaboration with Nestle to bring festive cheer to all its customers. Reinforcing its commitment to fostering inclusion, the company unveiled a new brand film for its EatQual initiative and redoubled its efforts in this area.

As of December 2022, Westlife had 341 restaurants in 52 cities, including 67 Drive-Thrus, 288 McCafés, and 205 Experience of the Future (EOTF) restaurants.

Particulars (INR Mn, Post INDAS 116)	Q3FY23	%	Q3FY22	%	Q2FY23	%
Sales	6,114.6	100.0%	4,768.3	100.0%	5,724.2	100.0%
YoY Sales Growth %	28.2%				48.5%	
Food & paper	2,024.6	33.1%	1,603.4	33.6%	1,976.2	34.5%
Gross Profit	4,090.0	66.9%	3,164.8	66.4%	3,748.0	65.5%
Payroll & Benefits	546.7	8.9%	398.5	8.4%	507.4	8.9%
Royalty	280.4	4.6%	216.4	4.5%	261.9	4.6%
Other Operating Expenses	1,805.9	29.5%	1,474.1	30.9%	1,679.5	29.3%
Restaurant Operating Margin (ROM)	1,457.0	23.8%	1,075.9	22.6%	1,299.2	22.7%
General & Admin Expense	354.1	5.8%	241.4	5.1%	311.2	5.4%
Op. EBITDA	1,102.9	18.0%	834.5	17.5%	988.0	17.3%
YoY EBITDA Growth %	32%				116%	
Depreciation	385.6	6.3%	347.5	7.3%	366.3	6.4%
Other (Income) / Expense, net	(36.4)	-0.6%	(42.3)	-0.9%	(53.6)	-0.9%
Financial Expense (Net)	233.7	3.8%	210.1	4.4%	225.5	3.9%
Extraordinary Expenses*	40.0	0.7%	40.6	0.9%	30.7	0.5%
PBT	480.0	7.8%	278.6	5.8%	419.1	7.3%
Tax	116.4	1.9%	70.4	1.5%	104.1	1.8%
PAT	363.5	5.9%	208.2	4.4%	315.0	5.5%
PAT (pre-IND AS 116)	423.4	6.9%	278.8	5.8%	398.0	7.0%
Cash Profit After Tax	753.1	12.3%	620.2	13.0%	680.2	11.9%
SSSG (%)	20%		44%		40%	
New stores opening	6		8		6	



For any further information kindly contact:

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About Westlife:

Westlife Foodworld Limited (BSE: 505533) (WFL), formerly known as Westlife Development Ltd (WDL), focuses on setting 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.

About Hardcastle Restaurants:

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 the region since its inception in 1996.

HRPL serves over 200 million customers, annually, at its 341 (as of December 31, 2022) McDonald's restaurants across 52 cities in the states of Telangana, Gujarat, Karnataka, Maharashtra, Tamil Nadu, Kerala, Chhattisgarh, Andhra Pradesh, Goa and parts of Madhya Pradesh and Union Territory of Puducherry and provides direct employment to over 10,000 employees. McDonald's operates through various formats and brand extensions including standalone restaurants, drive-thrus, 24/7, McDelivery, McBreakfast and dessert kiosks. The menu features Burgers, Finger Foods, Wraps, and Hot and Cold Beverages besides a wide range of desserts. Several of the McDonald's restaurants feature an in-house McCafé.

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

Disclaimer:

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