



WESTLIFE FOODWORLD LIMITED QUARTERLY SALES JUMP 49% YoY; WITH BEST-EVER OPERATING PROFITS

HIGHLIGHTS OF QUARTER ENDED SEPTEMBER 30, 2022

- Highest ever quarterly Sales at Rs. 5.72bn, up 49% YoY and 6% QoQ
- Op. EBITDA at Rs. 988mn grew 116% YoY; Op. EBITDA margin at 17.3%
- Cash PAT at Rs. 680mn grew 159% YoY; Cash PAT margin at 11.9%
- Average Annualized Sales Per Store stood at Rs. 67.5mn; SSSG was 40% YoY
- On Premise business grew 96% YoY

Mumbai, November 9th, 2022: Westlife Foodworld Limited ("WFL"), formerly known as Westlife Development (BSE: 505533) ("WDL"), owner of Hardcastle Restaurants Pvt. Ltd. ("HRPL"), the master franchisee of McDonald's restaurants in West and South India, has announced its financial results for the quarter ended **September 30, 2022**.

Following a strong performance in Q1 FY23, the company demonstrated yet another quarter of solid growth in Q2 FY23, with sales at Rs. 5.72 bn, up 49% year on year and 6% quarter on quarter. Owing to product innovations and sustained momentum across channels, the company achieved more than Rs. 67.5 mn in average annualized sales per store with Op. EBITDA at 17.3%. Same Store Sales Growth (SSSG) for the quarter was 40% year on year, and the company reported a Cash PAT of Rs. 680 mn, up 159% year on year. The company's Restaurant Operating Margin was Rs. 1,299 mn, up 94% YoY. Despite the effects of inflation, the company achieved its highest-ever operating profits at Rs. 988 mn this quarter, and its gross margins exceeded pre-Covid levels.

Westlife continued its momentum across channels with the on-premise business gaining strong traction and healthy growth, while the off-premise business grew steadily. The on-premise business increased 96% YoY and 24% over the Pre-Covid levels, and the off-premise business consisting of its digital channels, delivery, takeout, and on-the-go services rose by 12% YoY and 88% over the Pre-Covid base.

In the quarter under review, the Company witnessed broad-based growth across store formats with mall stores improving pace sequentially. It witnessed a 22% rise in monthly active users for its McDelivery app which led to the highest quarterly sales for its delivery channel. The McDelivery app had over 21 mn cumulative Apps downloads in this quarter.

Commenting on the results for Q2 FY23, Mr. Amit Jatia, Vice-Chairman of Westlife Foodworld Limited, said, *"This quarter, our company demonstrated consistent performance yet again and showcased the resiliency of the business we have set up. Our focus on core business fundamentals coupled with rising consumer demand in the QSR industry enabled both on-premise as well as off-premise businesses to deliver solid numbers. Such strong growth quarter on quarter strengthens our confidence in the business strategy and enables us to build more trust among our stakeholders."*



Westlife continued steadily on its expansion path and added 6 new restaurants this quarter which included its first restaurant in the holy city of Shirdi. It plans to add 35-40 new restaurants in this financial year and over 200 new restaurants in the next 3-4 years with greater emphasis on smaller and emerging cities. For Westlife, its restaurant sales in non-metro towns grew at an impressive 1.6x of the store in Metro cities, from / on the pre covid base.

In a new initiative to grow brand relevance and brand affinity, the company launched a new 360° campaign for McDonald's – 'Meals Make Families'. Menu innovations have been a source of competitive strength for the company ever since it brought McDonald's to India. The company introduced a new variant of the Shake-Shake condiment, Chatpata Fries this quarter.

Westlife now has a total of 337 restaurants across 52 cities as of June 2022 with 68 Drive-Thrus, 274 McCafés, and 138 Experience of the Future (EOTF) restaurants.

Particulars (INR Mn, Post INDAS 116)	Q2FY23	%	Q2FY22	%	Q1FY23	%
Sales	5,724.2	100.0%	3,854.3	100.0%	5,379.3	100.0%
YoY Sales Growth %	48.5%		84.0%		107.6%	
Food & paper	1,976.2	34.5%	1,359.5	35.3%	1,920.7	35.7%
Gross Profit	3,748.0	65.5%	2,494.7	64.7%	3,458.6	64.3%
Payroll & Benefits	507.4	8.9%	360.3	9.3%	425.8	7.9%
Royalty	261.9	4.6%	172.9	4.5%	245.9	4.6%
Other Operating Expenses	1,679.5	29.3%	1,290.7	33.5%	1,622.9	30.2%
Restaurant Operating Margin (ROM)	1,299.2	22.7%	670.9	17.4%	1,164.0	21.6%
General & Admin Expense	311.2	5.4%	213.4	5.5%	243.3	4.5%
Op. EBITDA	988.0	17.3%	457.4	11.9%	920.7	17.1%
YoY EBITDA Growth %	116%		994%		1706%	
Depreciation	366.3	6.4%	338.1	8.8%	357.9	6.7%
Other (Income) / Expense, net	(53.6)	-0.9%	(39.4)	-1.0%	(0.2)	0.0%
Financial Expense (Net)	225.5	3.9%	204.4	5.3%	215.0	4.0%
Extraordinary Expenses*	30.7	0.5%	13.0	0.3%	30.3	0.6%
PBT	419.1	7.3%	(58.7)	-1.5%	317.6	5.9%
Tax	104.1	1.8%	(14.4)	-0.4%	81.8	1.5%
PAT	315.0	5.5%	(44.2)	-1.1%	235.8	4.4%
PAT (pre-IND AS 116)	398.0	7.0%	38.0	1.0%	316.0	5.9%
Cash Profit After Tax	680.2	11.9%	262.3	6.8%	551.2	10.2%
SSSG (%)	40.2%		83.7%		97.1%	
New stores opening	6		5		5	



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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 337 (as of September 30th 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 close to 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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