

Westlife Foodworld reports strong performance in Q1FY24; Cash PAT up 22% YoY

Q1 FY24 – Highlights for the first quarter

- Q1 sales at Rs. 6.14bn, up 14% YoY with 7% SSSG (same-store sales growth)
- Cash PAT at Rs. 670 mn grew 22% YOY; Op. EBITDA at Rs. 1,053 mn grew 14% YoY
- On-Premise business grew 18% YoY, Off Premise business grew 9% YoY

Mumbai – July 27, 2023: Westlife Foodworld Limited (WFL), formerly known as Westlife Development (BSE: 505533) and the owner-operator of McDonald's restaurants across West and South India, announces its financial results for the quarter concluding on June 30, 2023.

In the quarter under review, Westlife reported a sales growth of Rs. 6.14bn, marking a 14% YoY increase driven primarily by a 7% YoY Same Store Sales Growth (SSSG). The company reported a Cash PAT of Rs. 670mn, a 22% increase year on year. Backed by a robust increase in guest count, the on-premise business saw an 18% YoY growth, while the off-premise business expanded by 9% YoY on a high base. Overall Digital sales saw significant growth accounting for 64% of total sales on the back of Self-Ordering-Kiosks at restaurants and McDonald's Apps, thereby bringing a seamless digital experience come alive for our customers.

Westlife's Restaurant Operating Margin stood at Rs. 1,412mn, with a YoY growth of 21%. The ROM (%) for the quarter was 23% compared to 21.6% in Q1 FY23. Despite inflationary pressures, the company's Operating EBITDA was Rs. 1,053mn, a growth of 14% YoY. The average sales per store (TTM) rose to Rs. 66.9mn, up from Rs. 57.4mn in Q1 FY23.

The Westlife board approved an interim dividend of Rs 3.45 per share which is around 173% of its face value, amounting to about Rs. 538 mn.

Amit Jatia, Chairperson of Westlife Foodworld Limited, said, "We are pleased with our first-quarter performance, which reflects the resilience of our business model and the strength of the McDonald's brand in West & South India. Despite the challenging market conditions, we have been able to drive growth by focusing on core menu innovation, digital transformation, and enhancing customer convenience. Our commitment to serving good quality food and constantly improving the customer experience continues to be the cornerstone of our success. The first-quarter results reinforce our commitment to further strengthen our position as a leader in the QSR industry."

As of June 2023, Westlife operates 361 restaurants across 58 cities, with four new stores opened in Q1. The company plans to add 40-45 new stores in FY24 and aims to reach between 580-630 stores by 2027.

This quarter, Westlife launched the new Piri-Piri McSpicy range, bolstering its supremacy in the burger segment and expanding its McSpicy platform. Further, the company roped in the megastar Jr. NTR to introduce McSpicy Chicken Sharers on the McDonald's menu in the South Market. The brand also rolled out its Jain-Friendly menu, an offering devoid of onions, garlic, and roots as a part of its Eatqual initiative.



Westlife has strategically focused its efforts on store modernization, enhancing digital capabilities, and menu innovation, particularly in the burger meals, chicken, and McCafe categories, to meet the diverse tastes of its consumers.

Particulars (INR Mn, Post INDAS 116)	Q1FY24	%	Q1FY23	%	Q4FY23	%
Sales	6,145.4	100.0%	5,379.3	100.0%	5,563.7	100.0%
YoY Sales Growth %	14.2%		107.6%		22.3%	
Food & paper	1,808.5	29.4%	1,709.5	31.8%	1,561.9	28.1%
Gross Profit	4,337.0	70.6%	3,669.8	68.2%	4,001.8	71.9%
Payroll & Benefits	551.3	9.0%	425.8	7.9%	554.0	10.0%
Royalty	317.5	5.2%	245.9	4.6%	250.3	4.5%
Other Operating Expenses	2,056.2	33.5%	1,834.1	34.1%	1,833.0	32.9%
Restaurant Operating Margin (ROM)	1,412.0	23.0%	1,164.0	21.6%	1,364.5	24.5%
General & Admin Expense	358.9	5.8%	243.3	4.5%	445.5	8.0%
Op. EBITDA	1,053.0	17.1%	920.7	17.1%	919.1	16.5%
YoY EBITDA Growth %	14.4%		1706%		26.2%	
Depreciation	428.5	7.0%	357.9	6.7%	411.2	7.4%
Other (Income) / Expense, net	(52.0)	-0.8%	(0.2)	0.0%	(49.2)	-0.9%
Financial Expense (Net)	260.2	4.2%	215.0	4.0%	253.3	4.6%
Extraordinary Expenses*	10.6	0.2%	30.3	0.6%	26.5	0.5%
PBT	405.8	6.6%	317.6	5.9%	277.3	5.0%
Tax	117.5	1.9%	81.8	1.5%	76.3	1.4%
PAT	288.3	4.7%	235.8	4.4%	201.0	3.6%
PAT (pre-IND AS 116)	368.3	6.0%	316.0	5.9%	250.9	4.5%
Cash Profit After Tax	669.6	10.9%	551.2	10.2%	567.4	10.2%
SSSG (%)	7%		97%		14%	
New stores opening	4		5		18	

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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 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 361 (as of June 30, 2023) McDonald's restaurants across 56 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 11,000 employees. McDonald's operates through various formats and brand extensions including standalone restaurants, drive-thru, 24/7, McDelivery, McBreakfast and dessert kiosks. The menu features Burgers, 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.

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