



Westlife Foodworld

Hardcastle Restaurants Pvt. Ltd.

Corporate Presentation

September 2023

Meet Westlife Foodworld



- **McDonalds Master Franchise** of India (W&S)
- Largest MNC fast-food chain globally



- **# 1 Burger player**
- Market leader in western India QSR sector



- **357 Restaurants**
- 56 cities
- +520mn addressable population in 11 States/UTs



Modern & Relevant Stores

- 87% with McCafe
- 72% in Experience of the Future format
- 19% with Drive thrus



- **Unique business model**
- Highest Average Unit Volume in India QSR
- +31% Return on Capital Employed (ROCE)



- **11,000+ strong work force**
- 34% Women employees
- Highly experienced professional management



- **+95% localization of food**
- “Farm to Fork” supply chain
- Glocal Menu



- **+57% Digital led Sales**
- +24 mn Own Apps Downloads



- **Eliminated single use Plastic Packaging**
- ~20% reduction in Emissions intensity

Vision & Mission

“ To be a **modern, relevant & progressive food and food tech company** delivering long-term prosperity and wellbeing for our customers, our people, our communities and our shareholders ”

Success Enablers



Building Blocks



Execution Proficiency



Strategic Proficiency



Talent Proficiency

Values



Serve



Inclusion



Integrity

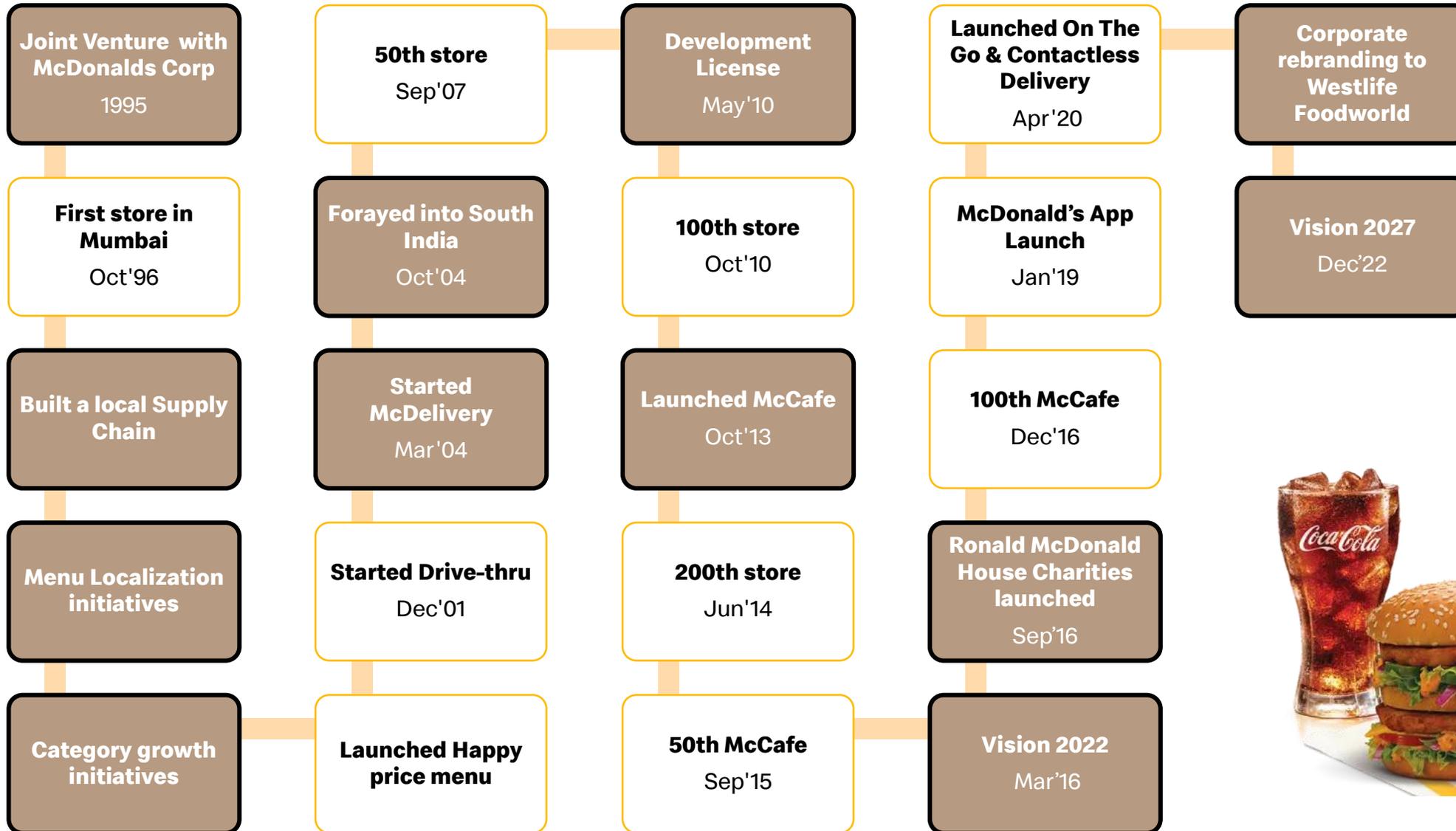


Community

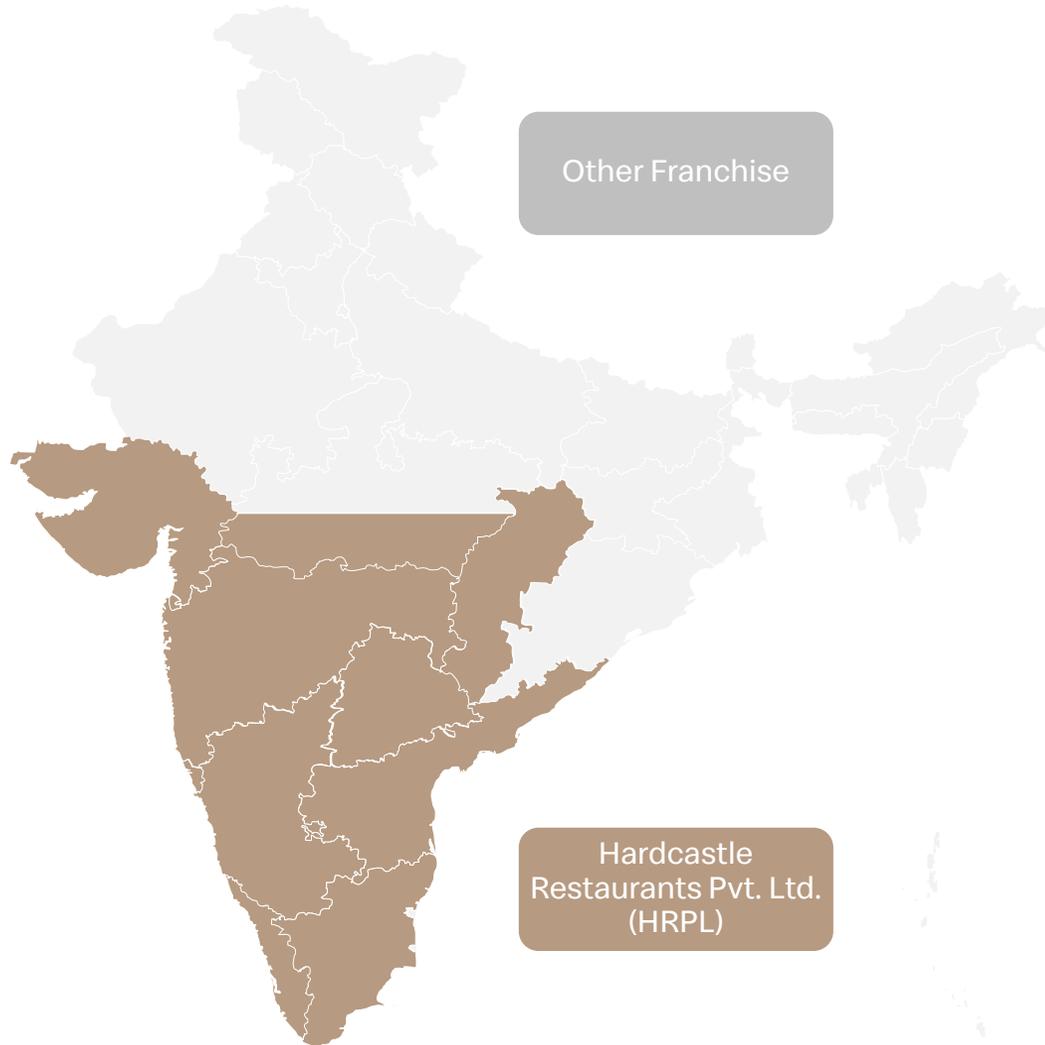


Family

Journey & Key Milestones



Geographical Presence



- **11 States & UTs**
- **~240 Large towns**
- **+520 mn population**
- **~55% of GDP**



Industry Trends & Market Opportunity

Emerging trends and tailwinds



Favorable **demographics**



Nuclearization of families



Shift towards **consumption** vs saving



Increasing frequency of **eating out**



Increasing **urbanization** and 'rurban' India



Increasing **digital penetration**



Rising value of **convenience**



Increased preference of **hygiene**



Rising aspirations and **premiumization**



Favorable **funding landscape** for aggregators

India likely to surpass China to become **most populous country** in the world around 2025

Only ~ **35% of the Indian population lives in cities** vs 60% for China and 80-85% for USA

Consumers in tier 2 and tier 3 cities **order food 'multiple times a week'**, higher vs metros and tier 1 cities

Functional needs replace celebratory reasons to order food across income segments

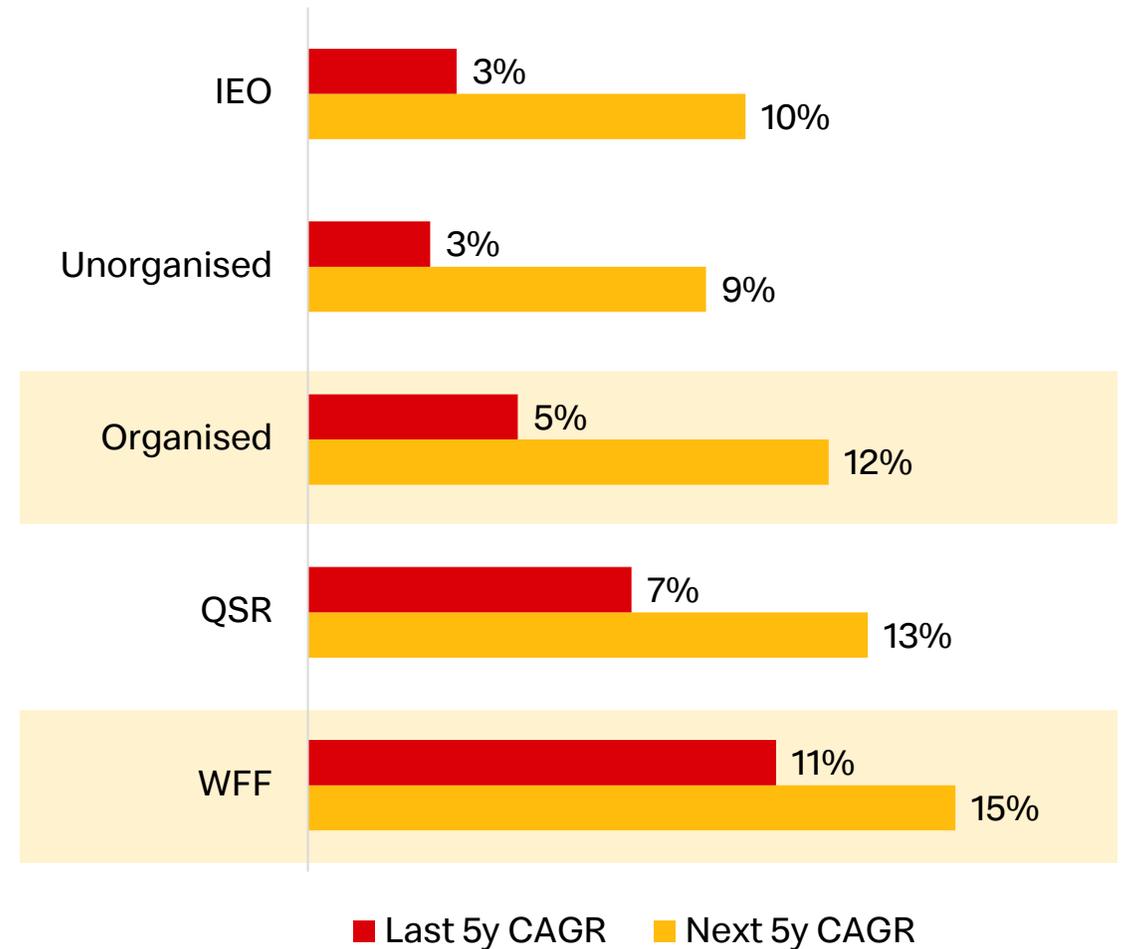
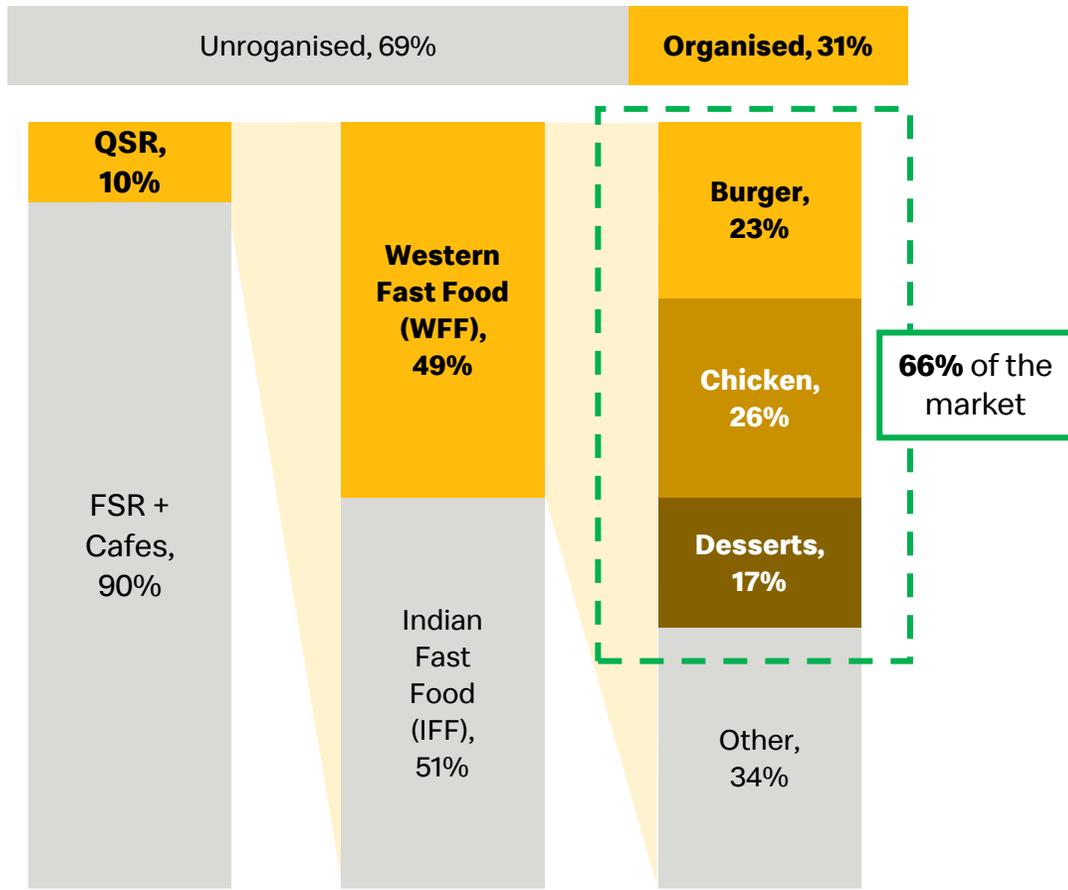
India bought **17 crores (170mn) smartphones** in 2021

61% surveyed population watches **online video content** like YouTube/OTT on their mobile/home TV.

UPI payment crossed **Rs 11 lakh crore (~\$140 bn) milestone** in Sep'22

Indian Foodservice Market Construct and Opportunity

Informal Eating Out is **INR ~3.9 tn market**





Business & Strategy

We cater to various market segments through our unique business model



Highest Average Unit Volume in the Indian QSR industry

Best in Class integrated 'Farm to Fork' Supply Chain



- Lettuce growers
- Potato growers
- Poultry
- Coating systems

- Multiple distribution centers across regions
- 20+ years of partnership



Dedicated fleet of multi-temp and single temp trucks



- Strong long-term relationships with suppliers / vendors
- 25+ years of partnership



357 restaurants
across 56 cities *

*As of Mar'23

- 📍 **95%+** local sourcing
- 📍 Return logistics for plastic crates and **oil recycling**
- 📍 **Temperature controlled** movement and storage
- 📍 **Optimized network** across major supply points
- 📍 Significant **economies of scale**

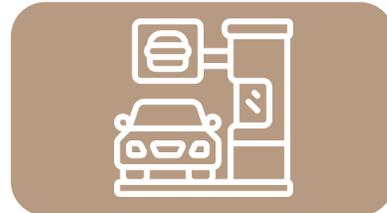
Emerged stronger from COVID through focused initiatives



Strengthened Brand Trust

- Ensured health, safety and retention of employees
- Introduced Golden Guarantee Promise for consumers
- Distributed +75,000 meals in communities around our stores

Reimagined the Brand



Pivoted to Omnichannel

- Ensured business continuity through multiple channels
- Introduced Contactless takeaway & delivery
- Doubled down on Digital App and Drive Thrus to capture demand



Win in Meals

- Focused on menu interventions to win in Meals dayparts
- Introduced Gourmet Burger platform and McSpicy Fried Chicken



Enhanced Profitability

- Prioritized cash conversion and fixed cost optimization
- Unlocked operating efficiencies in areas of supply chain, development costs etc.
- Strong volumes and better cost structure led to superior returns



Vision 2027

01

Meals Strategy

Achieve market leadership in core day parts through brand relevance led by menu innovation and marketing

02

Omnichannel Strategy

Integrate various channels and touchpoints to a One McDonald's platform in order to provide consumers a seamless experience

03

Faster than ever Network Expansion

Penetrate unserved geographies and fortify existing markets with renewed aggression

04

Lead with performance

Targeting superior business performance and operating efficiency through execution excellence

Three strategic focus areas over the medium term

Modern, relevant & progressive food & food tech company



Meals

Achieve market leadership in core day parts through brand relevance led by menu innovation and marketing



Omni-channel

Integrate various channels and touchpoints to a One McDonald's platform in order to provide consumers a seamless experience



Network expansion

Penetrate unserved geographies and fortify existing markets with renewed aggression

Running great restaurants and brand building

Cost leadership and operating efficiencies

Building **Meals** leadership through Menu relevance & Marketing

1 *Market leaders in snacking*

Snacking

*Market leaders in West
Targeting leadership in South*

Meals (Lunch+Dinner)

EXCLUSIVE *Only WFF player in the segment*

1

Morning

Late night



Commit to the Core

Burgers

Chicken

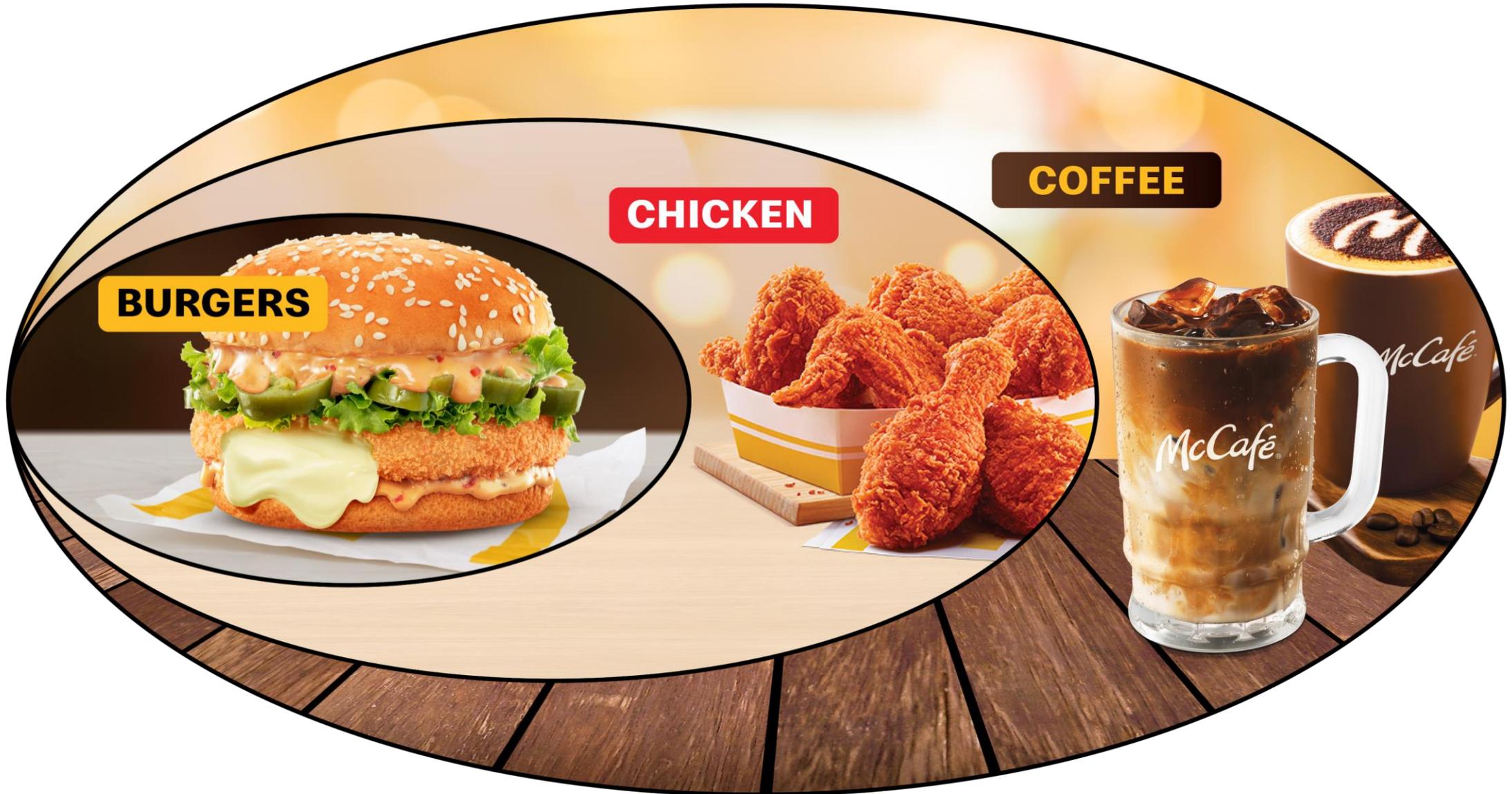
Coffee

Maximize our Marketing

Family Marketing

Brand Trust

Robust menu strategy going forward to drive business growth



Burgers | We have built burger leadership through burger offerings for all occasions



Classic burgers



Core, iconic burgers that are bestsellers on the menu and have become staples for burger lovers in the country

Indulgent burgers



A new range of **premium, indulgent, and more filling burgers** which are suited to the flavor trends in the market

Burger meals



Bundles and add-ons to help choose from a host of **pocket-friendly and delicious combos**, and create wholesome burger meals

Chicken | A comprehensive chicken portfolio would enable us to enhance product relevance in the South



Three Tiers of Chicken Burgers and Wraps

Top
Tier

McSpicy Chicken Premium



McCheese Chicken



Chicken Maharaja Mac



Mid
Tier

McSpicy Chicken



Big Spicy Chicken Wrap



Chicken & Cheese



McChicken



Entry
level

Chicken Kebab



Boneless



Chicken McNuggets



Chicken Strips

Bone-in



McSpicy Fried Chicken



McSpicy Fried Chicken wings

Coffee | Our wide-ranging McCafé menu offers a plethora of options for all taste choices



COFFEE

Hot coffee

- Cappuccino
- Latte
- Americano
- Flat White
- Filter Coffee
- Mocha
- Hot Chocolate
- Espresso



Cold coffee

- Cold Coffee
- Iced Coffee
- Iced Americano



INDULGENCE

Frappes & Shakes

- Mocha Frappe
- Chocolate Frappe
- American Mud Pie
- Chocolate Shake
- Strawberry Shake
- Cobranded Shakes



Smoothies

- Mango Smoothie
- Mixed Berry Smoothie



Cooler

- Sweet Lime Cooler
- Berry Cooler



TEA

Hot tea

- English Breakfast Tea
- Strawberry Green Tea
- Moroccan Mint Green Tea



Iced tea

- Lemon Chiller
- Strawberry Chiller
- Green Apple Chiller



Sweet treats

- Vanilla Choco Muffin
- Chocochip Muffin
- Chocolate Express Cake
- Blueberry Cheesecake



Maximizing our Marketing through brand affinity and menu intervention campaigns

Meals Make Families



EatQual



McCheese



Real Food.
Real Good.

Festival Makes Families



Happy Readers



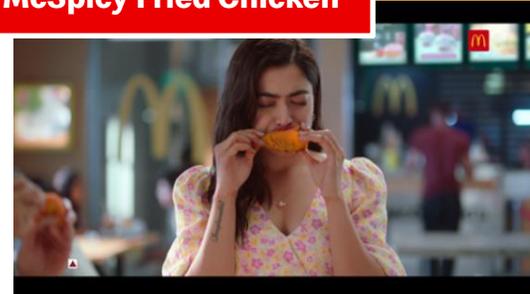
Gourmet Burgers



Memory Bites



McSpicy Fried Chicken



Chicken Big Mac



meals
make
families

Robust **Omni Channel** model with unified experience



~57%

Digital-led Sales

+24 mn

Cumulative Apps Downloads

~66%

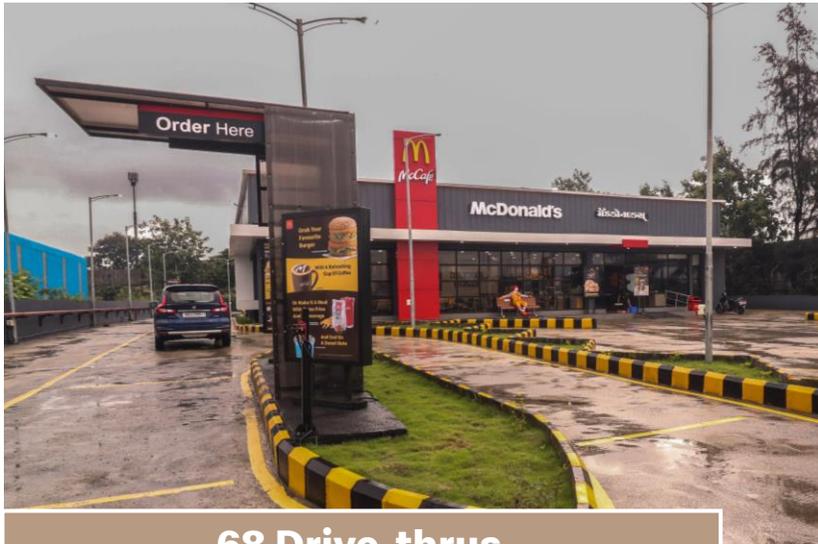
YoY growth in Monthly Active Users (MAU)*

Note: *in Q4FY23

Aggressive and prudent Network Expansion

Presence in **357 restaurants** across **56 cities** (as of March 2023)

Drive-thrus



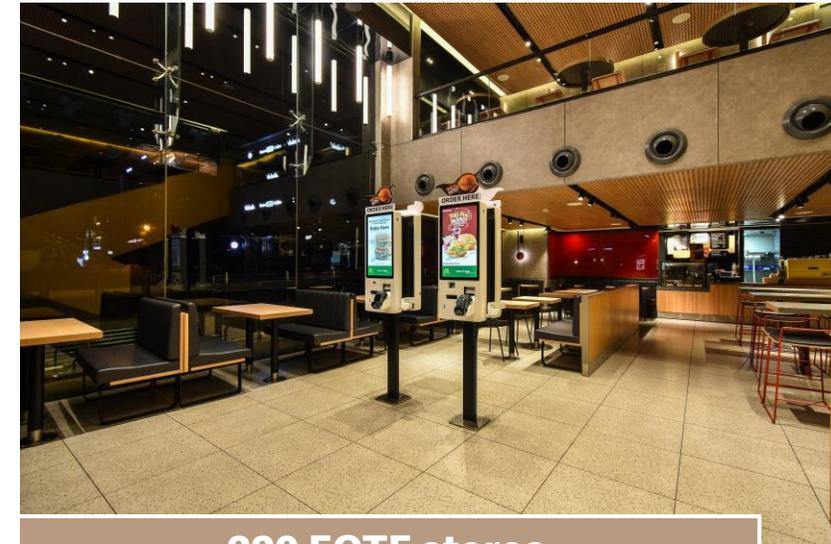
68 Drive-thrus
(+1 in Q4 FY23; ~19% of restaurants)

McCafés



311 McCafés
(+23 in Q4 FY23; ~87% of restaurants)

EOTF*



220 EOTF stores
(+17 in Q4 FY23; ~72% of restaurants ^)

- **Added 18 restaurants during Q4 FY23;** Closed 2 restaurants.
- Broad basing the store growth across Metros, Tier 1 and Smaller towns
- Aiming to add 40-45 new restaurants in FY24 to reach 580-630 restaurants by 2027.

* Experience of the Future (EOTF) ^ Eligible Store base

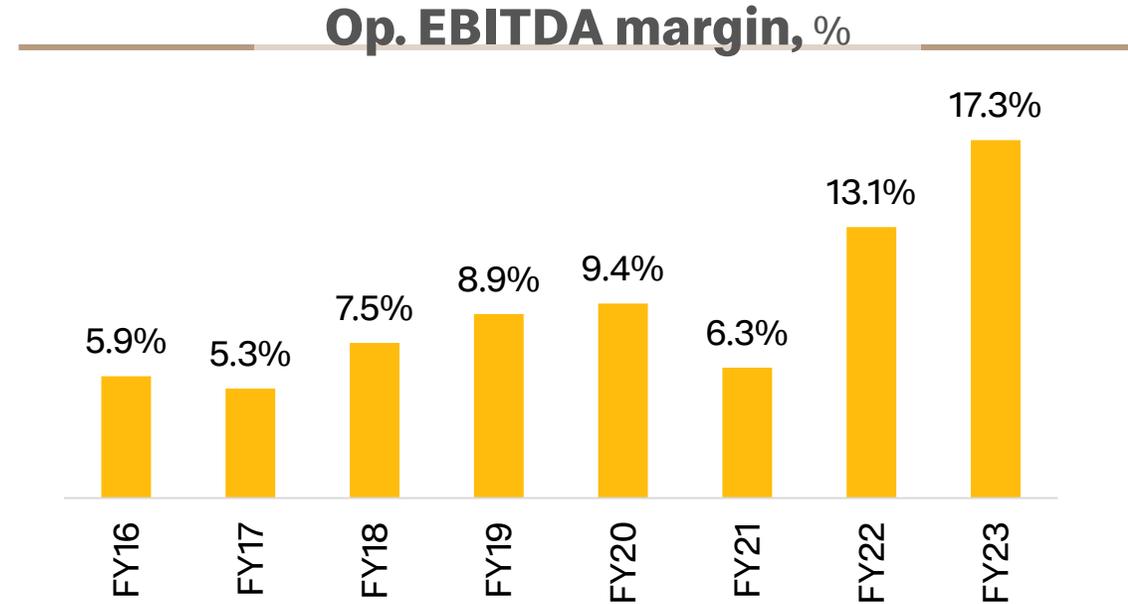
Consistent improvement in profitability with healthy cash generation

1  **Product Mix**

2  **Cost Savings**

3  **Operating Leverage**

4  **McDonald's Corp Partnership**



Mid-term Priorities

- Managing inflation
- Cluster-based distribution
- Governance across line items

The
global
McDonald's
framework
will
guide our
business
and
drive growth

Accelerating the Arches

Strategic goal: Becoming a modern, relevant & progressive food and food tech company

Our Purpose

Feed and foster communities

Our Mission

Making delicious feel-good moments easy for everyone

Our Values

Serve:

We put our customers and people first

Inclusion:

We open our doors to everyone

Integrity:

We do the right thing

Community:

We are good neighbors

Family:

We get better together

Our Growth Pillars

Maximize our Marketing

- Brand Trust
- Affordability
- Family

Commit to the Core

- Burger
- Chicken
- Coffee

Double Down on the 3Ds

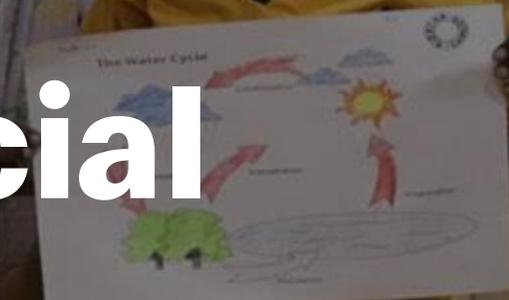
- Delivery
- Digital
- Drive-thru
- Data and tech

Foundation:

- Run Great Restaurants
- Operating efficiencies
- Profitable store growth
- Empower Our People



Environment & Social



Our Responsibility: Protecting the environment



Energy and Water management

- ~**20%** reduction in Emissions intensity (Scope 1 & Scope 2) in FY23
- ~**87%** of restaurants have Energy Management System (EMS)
- **10.5 mn** units of electricity saved; 96,000 units generated through Solar
- **2.1 mn liters** of Water saved
- Fries are made at **zero liquid discharge** facility
- Corporate Office is a **LEED certified** building



Waste management

- **+99%** of discarded cooking oil recycled to biodiesel
- **100% Elimination** of customer facing single use plastic
- **109,000+** kgs of plastic waste recycled
- **100%** packaging carry information regarding safe and responsible disposal or recycling

Our Responsibility: Sustainable & Responsible Sourcing



Sustainable Sourcing

- **+95%** of Inputs locally sourced
- **+95%** of Fresh produce sustainably sourced
- **100%** Traceability of ingredients back to their farms
- **100%** RSPO Mass Balanced certified palm oil
- **100%** Rainforest Alliance (UTZ) certified Coffee
- **100%** Marine Stewardship Council (MSC) certified Fish
- **100%** Forest Stewardship Council (FSC) certified Paper for Packaging



Responsible Sourcing

- **100%** FSSAI Regulatory Compliance
- **95%** products* from vendors covered under Supplier Workplace Accountability Audit
- **100%** Vendors certified for Global Food Safety Initiative (GFSI) recommended standards
- **100%** Fresh produce farms covered under Global Good Agriculture Practices and Social Practices
- **100%** Poultry Vendors adopt McDonalds Global Animal welfare standards
- **100%** Chicken farms audited for Bio-Security
- **100%** Slaughterhouse plants audited for HACCP & Animal Welfare Standards

Our Responsibility: Safe, inclusive & empowering workplace



Inclusive and Empowering

- **10 years in Top 100** ranked Great Place To Work® (Certified)
- Policy driven **Inclusive and Equal Opportunity workplace**
- **+34% women** work force
- **100%** of employees are trained and upskilled
- **75%** restaurant employees 25-year-old or younger
- **90%** of our restaurant managers started with McDonald's as crew
- **50-100%** Scholarships to select employees for higher education (Masters)



Safe and Respectful

- **95%** score in Crew Opinion Survey* (95% participation)
- **92.5%** score in Manager Opinion Survey* (100% participation)
- **100%** restaurant employees undergo health and safety training
- **100%** restaurants audited for occupational health and safety every quarter
- **100%** restaurants have Co2 detectors and fire suppressing systems installed

Our Responsibility: Nutritious food and Community impact



Food Nutrition

- McAloo Tikki is a **balanced meal***
- **25% more** dietary fibres in McVeggie
- **20% reduction** in sodium in our products
- **40% reduction** in oil in our mayo; **11% reduction** in calories in our burgers
- **Eliminated** artificial colour, preservatives and flavors in multiple products
- **100% milk (96% fat free)** in Soft serve
- **Whole Wheat** Buns with corn meal topping
- **100%** stores tested for Packaged and Potable Drinking water standards (IS14543 & IS10500)



Community Connection

- **35,000+** lives touched through Ronald McDonald's House Charities (RMHC)
- Launched innovative packaging for **Specially-abled customers** under EatQual initiative
- **100%** Separation of Vegetarian and Non-Vegetarian Kitchen sections
- **Food drives**
- **Tree plantation drives**
- **Blood donation drives**
- **Garbage collection** initiatives
- **Book distribution** drives

Our Responsibility: Serving Communities



Tree Plantation

EatQual Initiative

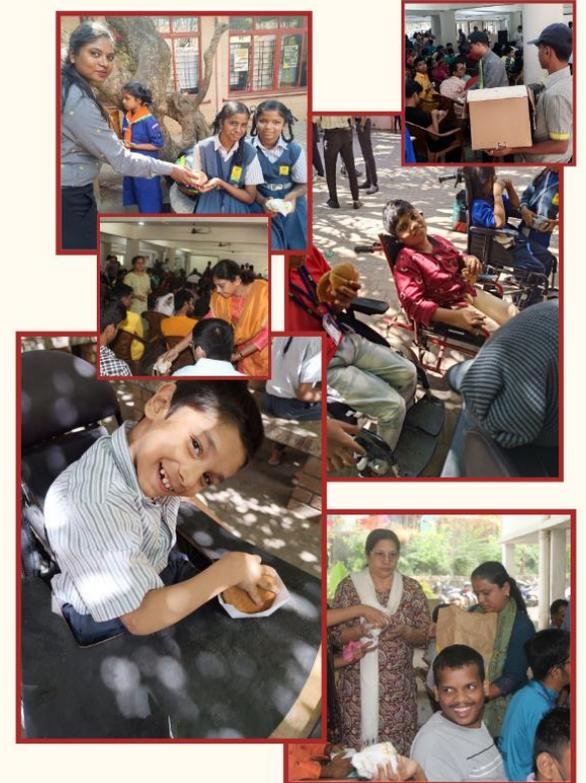
Food Drive

Blood Donation

Garbage Collection



It fills our hearts with joy to share that our #EatQual initiative has helped us serve over 400 kids!



For the International Day for Persons with Disability, our crew members distributed burgers to the kids of NASEOH & APD in Mumbai and Bengaluru respectively.



Governance & Financial highlights

Our Responsibility: Strong Governance



ENTERPRISE RISK MANAGEMENT

- Robust internal controls environment and audit processes supported by KPMG & MSSM



BOARD INDEPENDENCE

- 5 of 8 Board members are independent
- Highly qualified and experienced professionals



STAKEHOLDER VALUE CREATION

- Long Term Relationships
- Focused on creating positive impact



STATUTORY & REGULATORY COMPLIANCE

- Strong Compliance processes
- Statutory Auditor: E&Y



COMPREHENSIVE DISCLOSURES

- Quarterly earnings presentation and call
- Augmenting ESG reporting across frameworks

An effective board driving growth and governance



Amit Jatia
Chairperson (Non-Independent, Executive)



Smita Jatia
Vice Chairperson (Non-Independent, Non-Executive)



Akshay Jatia
Director (Non-Independent, Executive)



Amisha Jain
Director (Independent, Non-Executive)



Tarun Kataria
Director (Independent, Non-Executive)



P. R. Barpande
Director (Independent, Non-Executive)



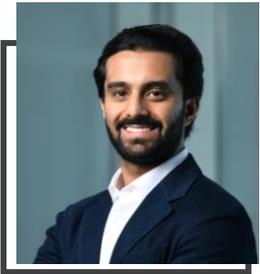
Manish Chokhani
Director (Independent, Non-Executive)



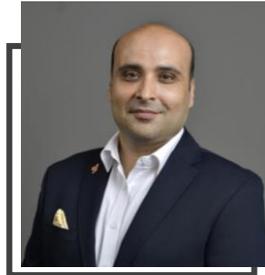
Jyotin Mehta
Director (Independent, Non-Executive)

A team that defines our culture

Most tenured leadership across the industry, yet young & dynamic. **Professionals** with unparalleled ground level experience. **Robust performance management** processes. Bolstered capabilities in key **future growth areas** like Consumer Tech, Analytics, L&D etc.



AKSHAY JATIA
Executive Director



SAURABH KALRA
Managing Director



DR. SHATADRU SENGUPTA
Chief Legal Officer &
Company Secretary



SAURABH BHUDOLIA
Chief Financial Officer



ARVIND RP
Chief Marketing Officer



SANKET SATOSE
Sr. Director – Development
& Real Estate



ADITYA KHARWA
Sr. Director – National
Operations



ROHITH KUMAR
Chief HR Officer

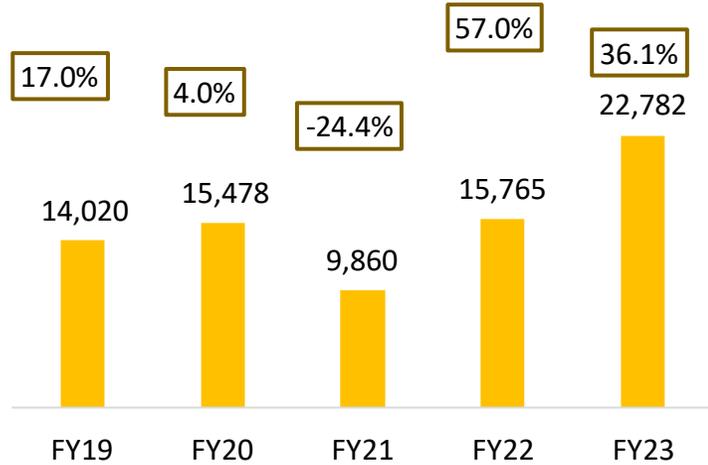


SOHEL NALWALLA
Director – Supply Chain & QS

Financial Highlights

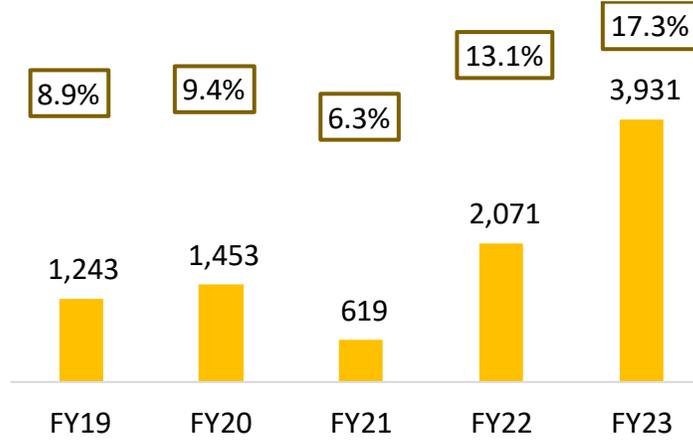
Revenue (INR mn)

SSSG %



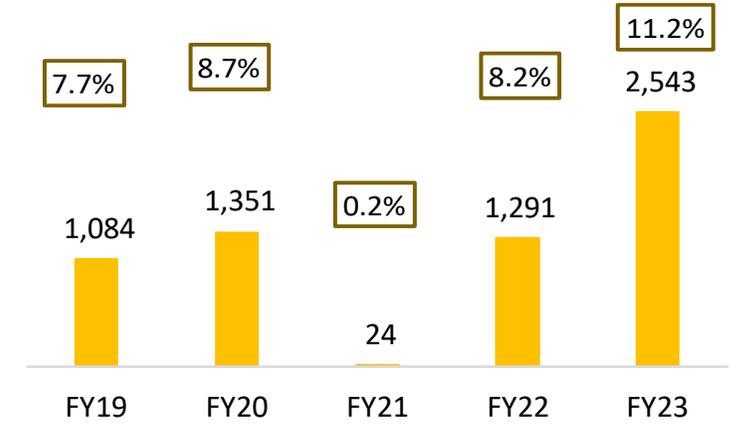
EBITDA (INR mn)

EBITDA margin

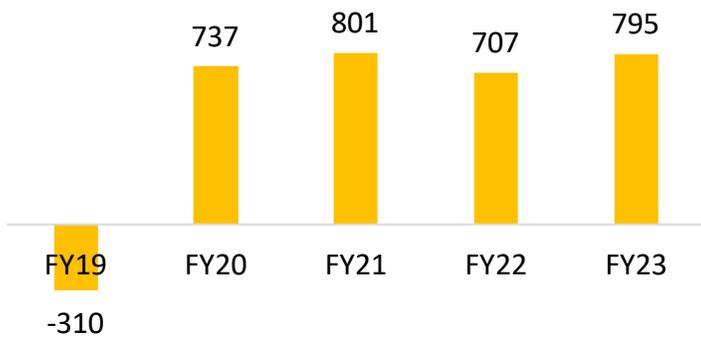


Cash PAT (INR mn)

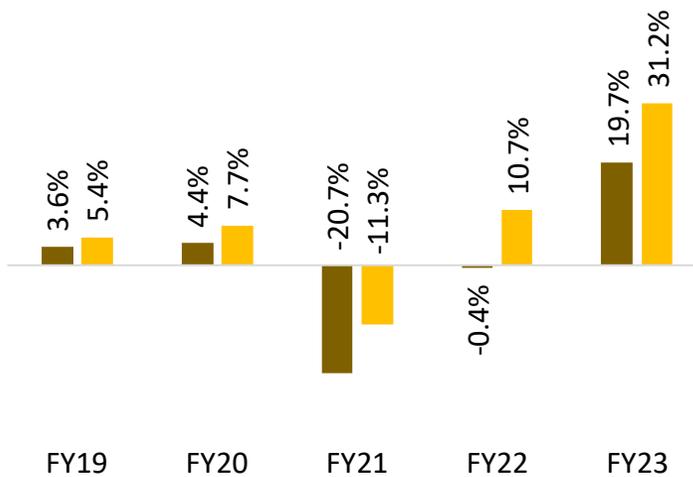
Cash PAT margin



Free Cash Flow (INR mn)



ROE ROCE



Net Debt to Equity



FY23: A record year | A new baseline to build upon



Menu, Meals
& Branding

Sales

₹ 22.7 bn

44% YoY

**Avg. Unit
Volume**

₹ 66+ mn

SSSG

36.1%



Omnichannel
& Digital

Digital Sales

57%

**Off Premise
Sales**

41%

App DLs

+24 mn



Right Network
& Economics

**New Stores
added**

35

EOTF Format ¹

72%

ROCE

31%



Cost mgmt. &
Profitability

Gross margin

69.9%

EBITDA margin

17.3%

**Cash PAT
margin**

11.2%



Stakeholder
management

**Top 100 Great
Places to Work**

10 years

Dividend ²

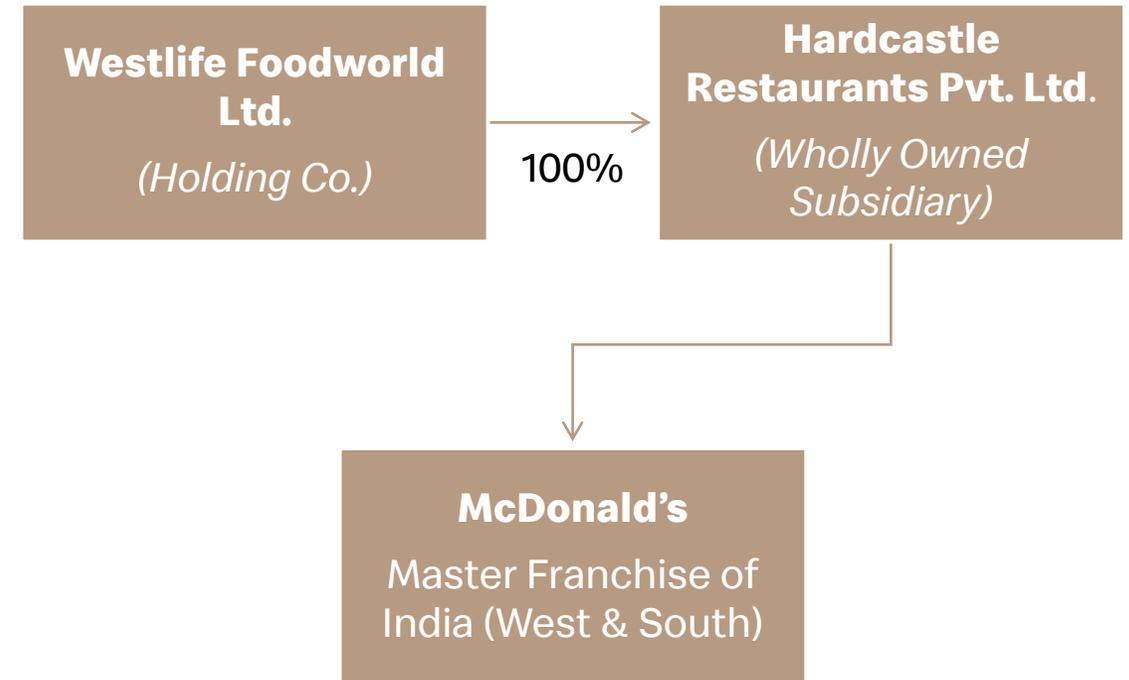
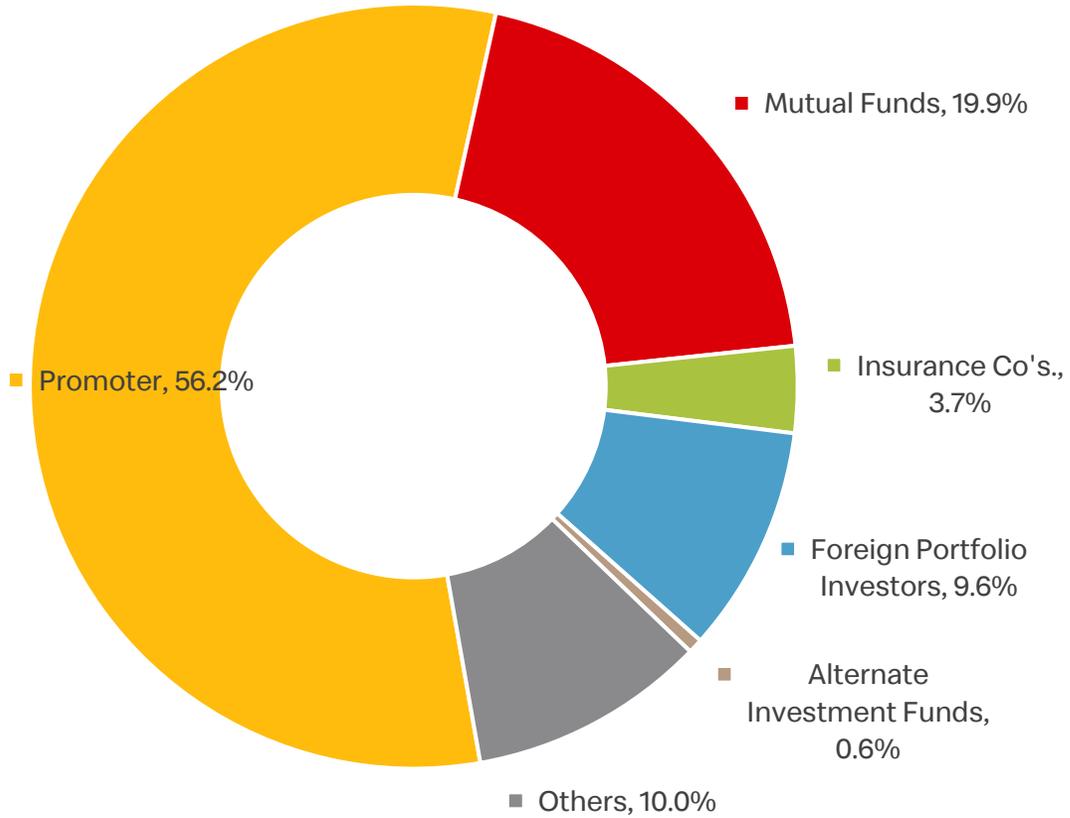
Policy

Strategy

Vision 2027

Execution Excellence

Shareholding Pattern & Group Structure

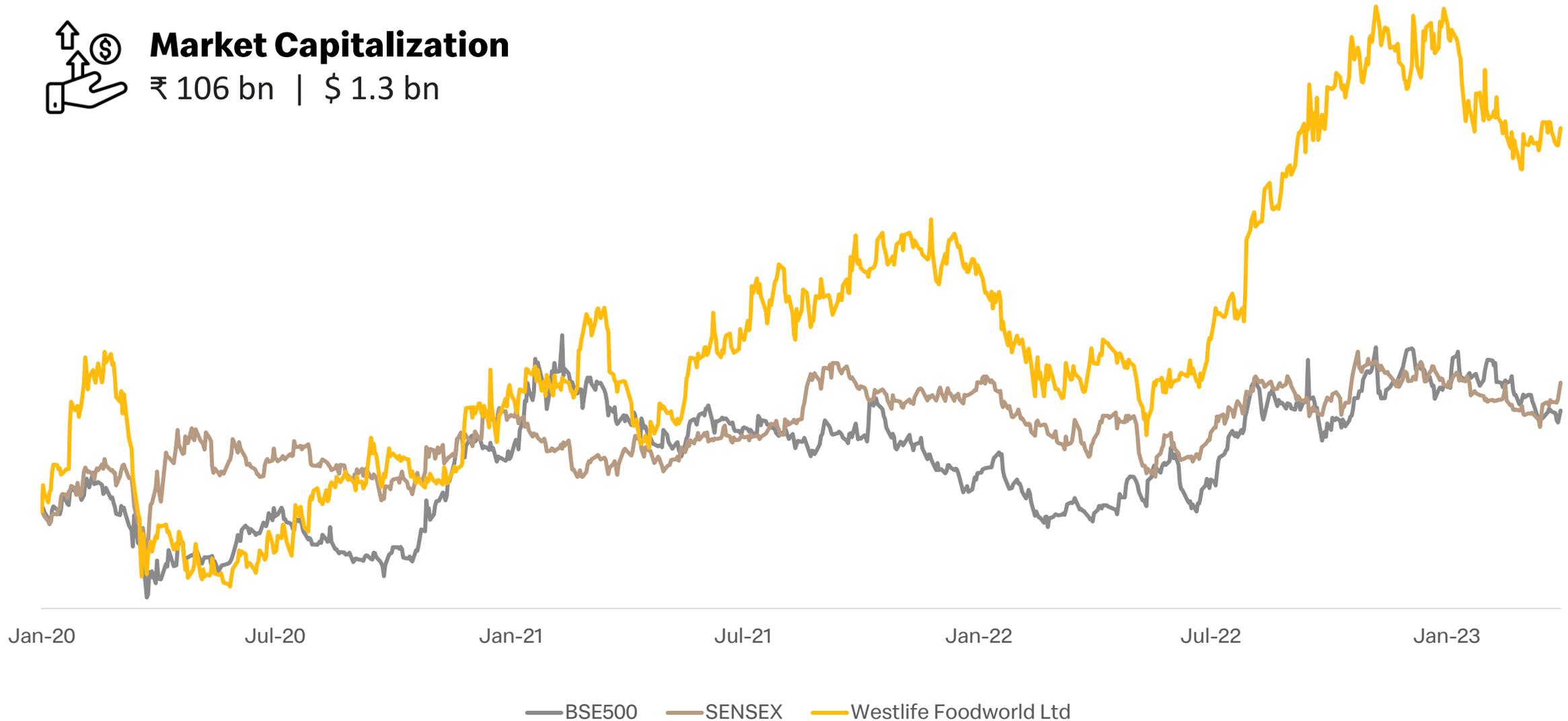


Shareholder Value Creation



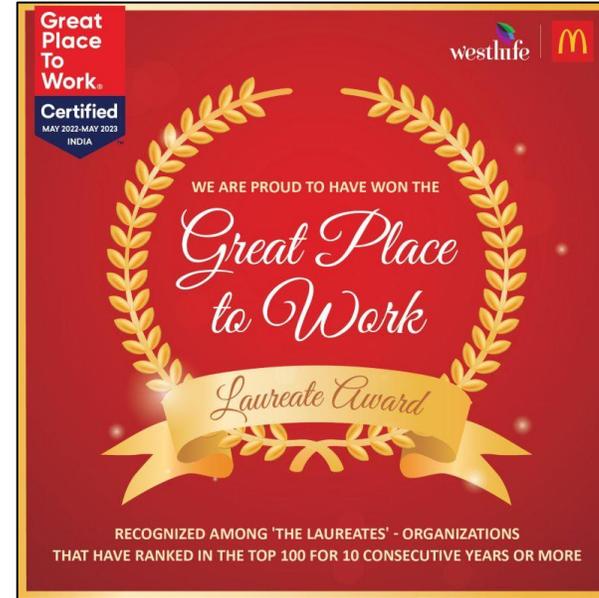
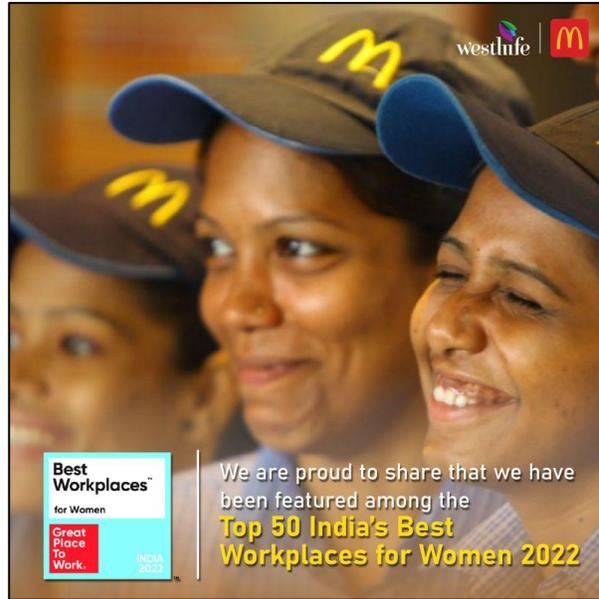
Market Capitalization

₹ 106 bn | \$ 1.3 bn



Note: Assuming USD INR = 82 . Chart as on March 31, 2023

Awards & Recognitions



Investment Thesis



Vision 2027

- Rs 40-45 bn **Sales**
- High Single digit **SSSG**
- 18-20% **Op.EBITDA** margin
- 580-630 **Restaurants**
- +25% Return on **Equity**
- Fortify Market **Leadership**

Safe harbour disclosure

This presentation 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” or the negative of these terms or other similar expressions or phrases. 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 business prospects of Westlife Foodworld Ltd (‘WFL’), 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 WFL’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, WFL’s business and operations involve numerous risks and uncertainties, many of which are beyond the control of WFL, which could result in WFL’s expectations not being realized or otherwise materially affecting the financial condition, results of operations and cash flows of WFL. Additional information relating to the uncertainties affecting WFL’s business is contained in its filings with various regulators and the Stock Exchanges (NSE & BSE). The forward-looking statements are made only as of the date hereof, and WFL 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.



Building a

Bigger | Better | Bolder

McDonald's Together





Thank you

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