Westlife Foodworld

Hardcastle Restaurants Pvt. Ltd.

Q1 FY25 Earnings Presentation

July 25, 2024

Formerly Westlife Development Limited

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 Bombay Stock Exchange (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.

Q1 FY25 Highlights

₹ 6.16 bn
0.3% YoY | -6.7% SSSG
Sales

₹ 800 mn
-24.1% YoY | 13.0% margin
Op. EBITDA

₹ 463 mn
-30.9% YoY | 7.5% margin
Cash PAT

₹ 61.3 mn
-8% YoY
AUV (TTM)

69%
Apps + SOKs
Digital Sales

+34 mn
LTD | MAU 15% YoY
App Downloads

403
+6 in Q1FY25 | 66 cities
Store Network

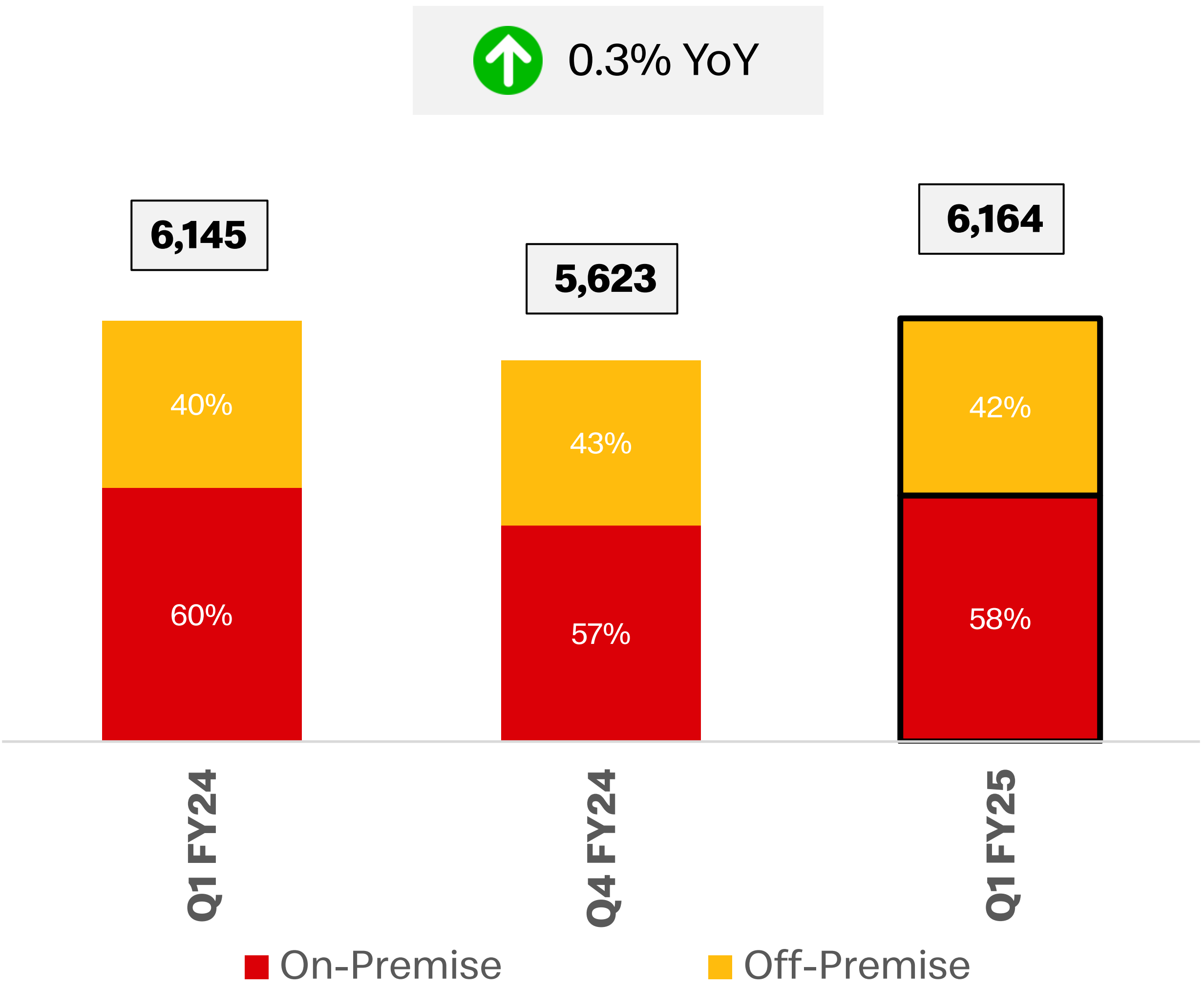
6% YoY
42% contribution
Off-premise Sales

45-50
FY25 | 580-630 by CY27
New Stores target

Note: 1) On-Premise includes Dine In & Takeaway. Off-Premise includes Delivery, On-The-Go Pickup & Drive Thrus. 2) LTD: Life To Date

Same store sales to improve in second half of the year

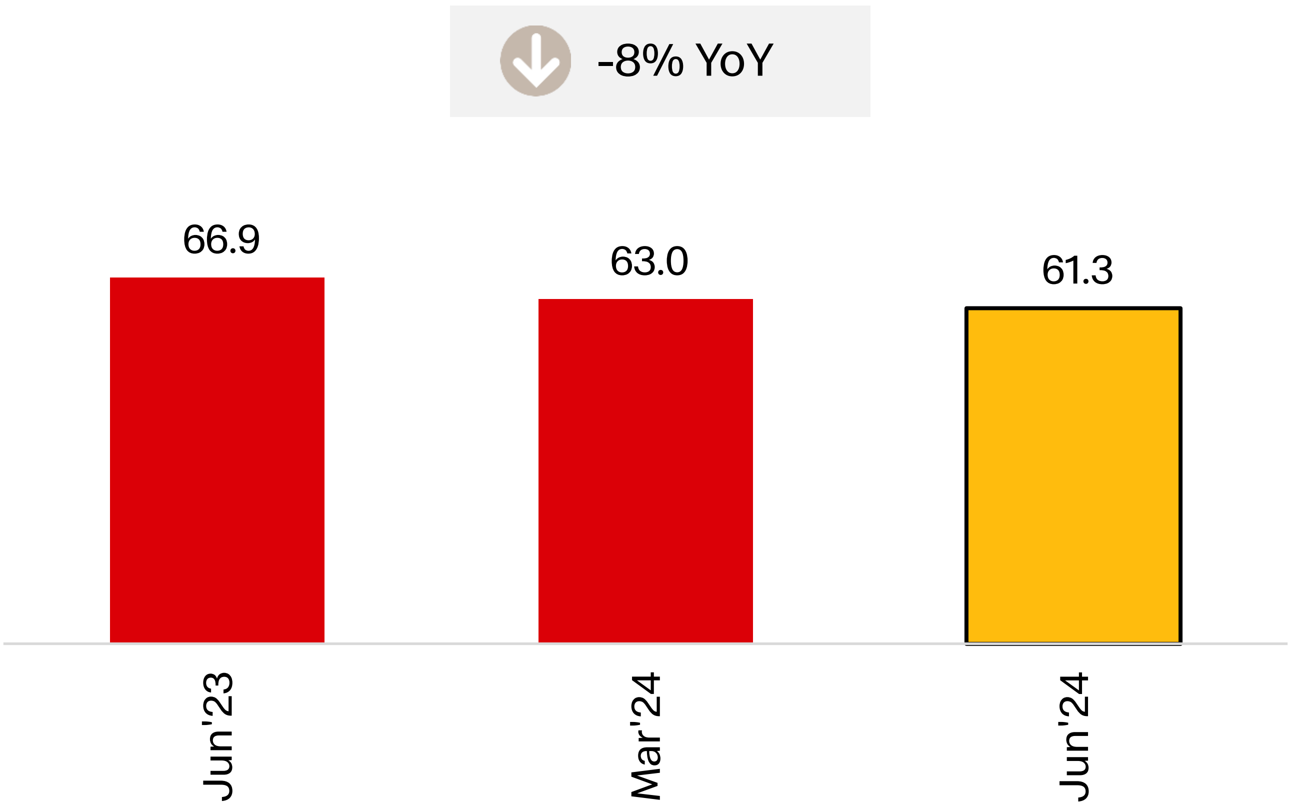
Revenue, INR mn



- SSSG stood at -6.7% YoY (vs +7.4% in Q1 FY24) on account of subdued instore business. Off Premise business saw stable same store sales.
- Off-Premise business grew by 6% YoY led by Delivery & Drive thrus. Off-Premise contribution was 42% to total sales. On Premise business declined 3% YoY.
- Overall eating out trends improved sequentially hinting to a likely improvement in business environment.
- We expect gradual improvement in business, particularly in second half of the year.

Value platform and Product innovation to drive volume

TTM Average Sales Per Store, INR mn

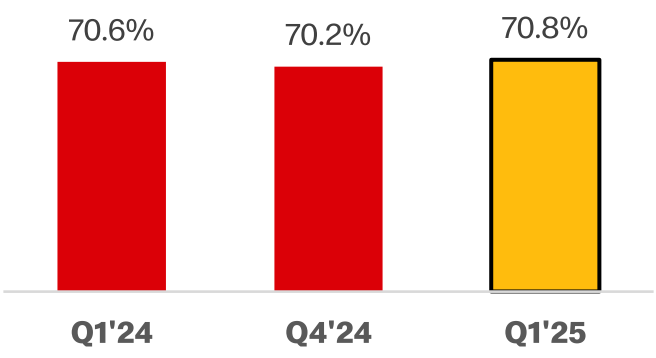


- Sustained focus on driving guest count through Everyday McSaver Meals platform.
- Product innovation continues with Chicken Surprise, a new entry-level burger, bolstering the Chicken platform.
- Post a successful pilot, launching McCafe food items across network. Aiming for 15-18% contribution of McCafe by 2027.
- Digital Sales* grew 8% YoY, contributing 69% to the business. MyMcDonald's Rewards program continue to see healthy enrollment.
- Partnered with Chef Sanjeev Kapoor for Real Food, Real Good Initiative. Embraced the anime fandom among GenZ through WcDonald's Campaign.

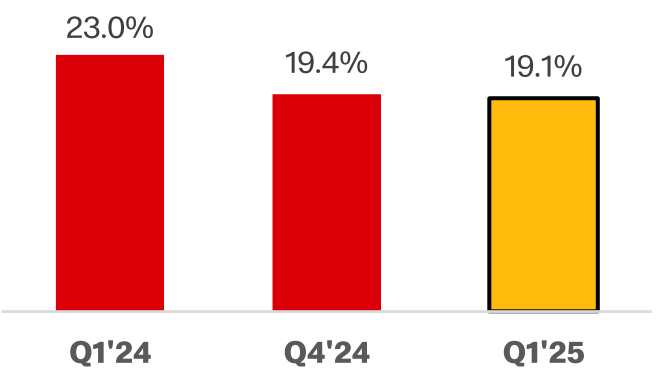
*Note: 1) Numbers on trailing twelve months basis to account for business seasonality. 2) *Digital Sales largely includes sales from Mobile Apps and Self Ordering Kiosks*

Profitability to improve with better scale

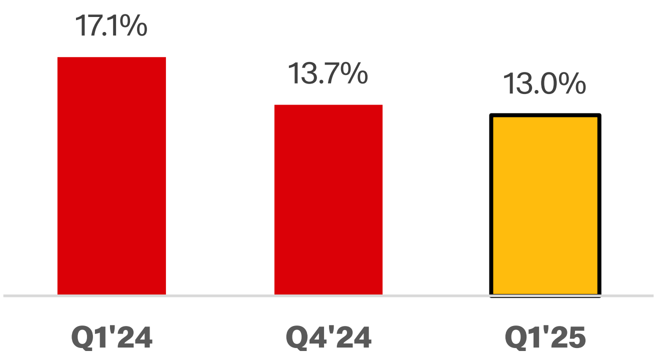
Gross Margin, Percent



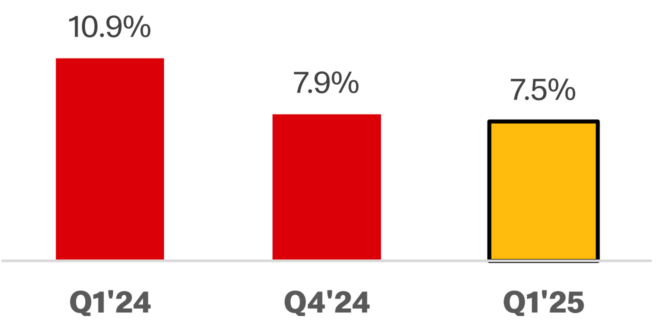
ROM*, Percent



Op. EBITDA Margin, Percent



Cash PAT Margin, Percent



- Gross margin at 70.8% improved by 62 bps sequentially and 21 bps YoY led by cost optimization and benign input costs. System level pricing remained stable.
- Restaurant operating margins and Operating EBITDA margin were lower by 388 bps YoY and 416 bps YoY respectively on account of operating deleverage and royalty.
- Profitability likely to improve with higher average unit volume. Focused on delivering 18-20% Op. EBITDA margin by 2027.
- Cash Profit After Tax stood at Rs 463 million or 7.5% of sales.

*Note – 1) *ROM is Restaurant Operating Margins. 2) Generally, the difference between our Pre & Post INDAS 116 EBITDA margins in normal course of business is about 350-450bps.*

A unique business model catering various market segments across dayparts

Multi-Category

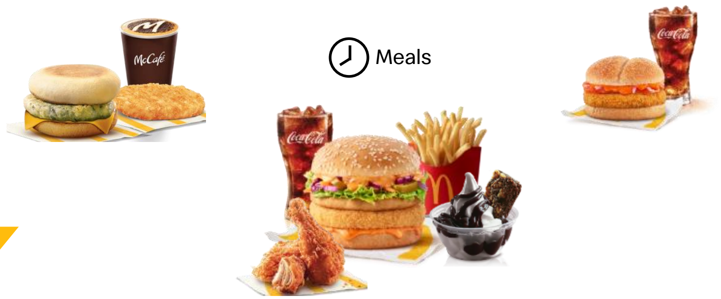
Burgers
Sides
Coffee
Wraps
Desserts
Shakes, Smoothies & Coolers
Chicken

Multi-Channel

On the Go
Dine in
Takeaway
Drive thru
Delivery

Multi-Daypart

Breakfast
Snacks
Meals



Multi Brand Extensions

McCafé
McBreakfast
McDelivery

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

Market leaders in snacking

Snacking

Only WFF player in the segment

Morning

Late night

Market leaders in West
Targeting leadership in South

Meals (Lunch+Dinner)

Commit to the Core

Burgers

Chicken

Coffee

Maximize our Marketing

Family Marketing

Brand Trust

Graphs for representation purpose only, not to scale

Robust Omni Channel model with unified experience

westlife Foodworld

UNIFIED EXPERIENCE

- Dine In
- Take Away
- Drive Thru
- On The Go
- Delivery

- Front Counter
- Self Ordering Kiosk
- McDonalds Omni Channel App
- McDelivery (Own App + 3PO)

~69%

Digital-led Sales

+34 mn

Cumulative **Apps Downloads**

+3 mn

Monthly **Active Users (MAU)**

Aggressive and prudent Network Expansion

Presence in **403 restaurants** across **66 cities** (as of June 2024)

Drive-thrus

82 Drive-thrus

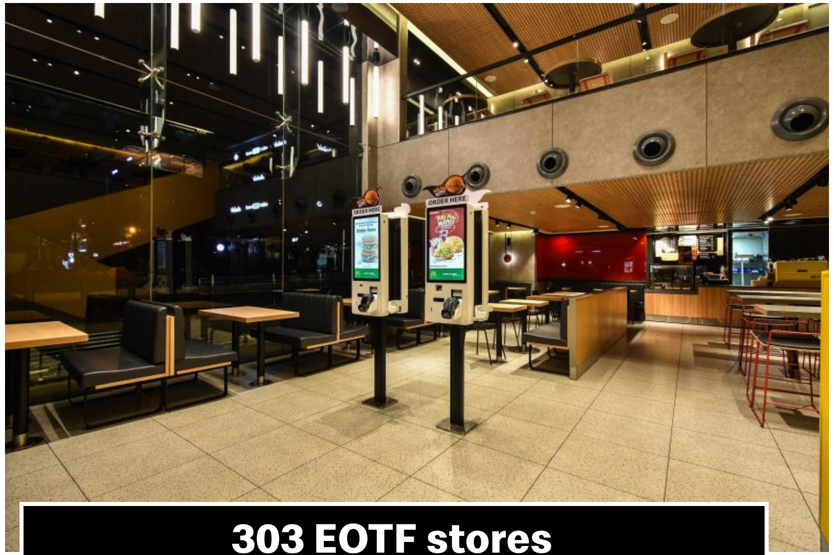
(+1 in Q1 FY25; ~20% of restaurants)

McCafés

371 McCafés

(+11 in Q1 FY25; ~92% of restaurants)

EOTF*



303 EOTF stores

(+11 in Q1 FY25; 86% of restaurants^)

- Added 6 restaurants in Q1 FY25
- **Targeting 45-50 stores in FY25 with a focus on South India, Smaller towns and Drive Thrus**
- Aiming to reach 580-630 restaurants by 2027

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

Menu Initiatives

Mango Desserts

Mango McFlurry with Oreo & Lotus Biscoff

Mango McSwirl & Sundae

McVeggie & McChicken Fiesta

Brand Campaigns

Real Food. Real Good.

Financials

Particulars (INR Mn, Post INDAS 116)	Q1FY25	%	Q1FY24	%	Q4FY24	%
Sales	**6,163.8**	**100.0%**	**6,145.4**	**100.0%**	**5,622.8**	**100.0%**
YoY Sales Growth %	*0.3%*		*14.2%*		*1.1%*	
Food & paper	1,800.8	29.2%	1,808.5	29.4%	1,677.5	29.8%
Gross Profit	**4,362.9**	**70.8%**	**4,337.0**	**70.6%**	**3,945.3**	**70.2%**
Payroll & Benefits	622.2	10.1%	551.3	9.0%	639.1	11.4%
Royalty	353.8	5.7%	317.5	5.2%	287.2	5.1%
Other Operating Expenses	2,210.0	35.9%	2,056.2	33.5%	1,926.5	34.3%
Restaurant Operating Margin (ROM)	**1,176.9**	**19.1%**	**1,412.0**	**23.0%**	**1,092.5**	**19.4%**
General & Admin Expense	377.2	6.1%	358.9	5.8%	321.8	5.7%
Op. EBITDA	**799.7**	**13.0%**	**1,053.0**	**17.1%**	**770.6**	**13.7%**
YoY EBITDA Growth %	*-24.1%*		*14.4%*		*-16.2%*	
Depreciation	493.8	8.0%	428.5	7.0%	499.4	8.9%
Other (Income) / Expense, net	(50.5)	-0.8%	(52.0)	-0.8%	(34.9)	-0.6%
Financial Expense	298.7	4.8%	260.2	4.2%	282.7	5.0%
Extraordinary Expenses*	12.5	0.2%	10.6	0.2%	3.8	0.1%
PBT	**45.2**	**0.7%**	**405.8**	**6.6%**	**19.6**	**0.3%**
Tax	12.6	0.2%	117.5	1.9%	11.9	0.2%
PAT	**32.5**	**0.5%**	**288.3**	**4.7%**	**7.6**	**0.1%**
PAT (pre-IND AS 116)	**121.9**	**2.0%**	**368.3**	**6.0%**	**98.7**	**1.8%**
Cash Profit After Tax	**463.0**	**7.5%**	**669.6**	**10.9%**	**443.5**	**7.9%**
SSSG (%)	**-6.7%**		**7.4%**		**-5.0%**	
New stores opening	6		4		17	

Note: **1)** Op. EBITDA excludes all non-operating income & expenses related to finance and investment activities. **2)** * Extraordinary Expenses includes one-time expenses on account of assets written-off pertaining to restaurants relocation/closure and a one-time ESOP charge

P&L reconciliation

Particulars (INR mn)	(A) Q1 FY25 (Adjusted)	(B) Ind AS 116 Changes^	(C) Q1 FY25 (Reported)	(D) Q1 FY24 (Adjusted)	(E) Ind AS 116 Changes^	(F) Q1 FY24 (Reported)	(A over D) YoY Growth (Adjusted)
Revenue	**6,163.8**	**-**	**6,163.8**	**6,145.4**	**-**	**6,145.4**	**0.3%**
Occupancy and other operating expenses	2,507.4	-297.4	2,210.0	2,315.8	-259.6	2,056.2	8.3%
Restaurant Operating Margin	**879.5**	**297.4**	**1,176.9**	**1,152.4**	**259.6**	**1,412.0**	**-23.7%**
General and Administration Expenses	377.2	-	377.2	358.9	-	358.9	5.1%
Operating EBITDA	**502.3**	**297.4**	**799.7**	**793.5**	**259.6**	**1,053.0**	**-36.7%**
Operating EBITDA margin	***8.1%***		***13.0%***	***12.9%***		***17.1%***	
Other Income	-43.5	-7.0	-50.5	-45.7	-6.3	-52.0	-4.9%
Finance costs	51.8	246.9	298.7	44.1	216.0	260.2	17.4%
Depreciation and amortisation expense	317.0	176.8	493.8	269.6	158.9	428.5	17.6%
Profit/(Loss) before tax and exceptional items	**176.9**	**-119.3**	**57.6**	**525.4**	**-109.0**	**416.4**	**-66.3%**
Extraordinary Items*	12.5	-	12.5	10.6	-	10.6	17.8%
Profit/(Loss) before tax	**164.5**	**-119.3**	**45.2**	**514.8**	**-109.0**	**405.8**	**-68.1%**
Tax	42.6	-29.9	12.6	146.6	-29.0	117.5	-70.9%
Profit/(Loss) after tax	**121.9**	**-89.4**	**32.5**	**368.3**	**-80.0**	**288.3**	**-66.9%**

Note: **1)** ^adjustments arising out of Ind AS 116. **2)** * Extraordinary Expenses includes one-time expenses on account of assets written-off pertaining to restaurants relocation/closure

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

Click here for Vision 2027 presentation

Building a

Bigger | Better | Bolder

McDonald's Together

Westlife Foodworld Limited

Q1 FY25 Earnings Call Invite

Westlife Foodworld Limited (NSE: WESTLIFE, BSE: 505533) will announce its results for the first quarter that ended June 30, 2024, on July 25, 2024. Following the announcement, the management team will host a conference call for investors and analysts on **July 25, 2024,** at **5:30 pm IST.** The call will commence with a brief discussion on the previous quarter's performance followed by an interactive question and answer session. Call details are below:

Date	**July 25, 2024**
Time	**India: 5:30 pm IST |** Hong Kong/ Singapore: 8:00 pm HKT/ SGT New York, USA: 8:00 am EDT **|** UK: 1:00 pm BST
Duration	**60 minutes**
Universal Dial In	**+91 22 6280 1261** | **+91 22 7115 8162**
International Toll Free	Hong Kong: 800 964 448 | Singapore: 80 0101 2045 UK: 080 8101 1573 | USA: 186 6746 2133
DiamondPass™	Link (No Wait Time)

Note: Please dial in at least 10 minutes prior to the scheduled time to ensure that you are connected on time. Audio and transcripts will be available within five working days after the call on the Investors page of the company website.

For further information, please contact: Chintan Jajal | investor.relations@mcdonaldsindia.com

Formerly Westlife Development Limited

Thank you

IR Contact

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