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Westlife Foodworld

Hardcastle Restaurants Pvt. Ltd.

Q2 FY25 Earnings Presentation

October 24, 2024

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.

Q2 FY25 Highlights

₹ 6.18 bn

0.6% YoY | -6.5% SSSG
Sales

₹ 791 mn

-20.7% YoY | 12.8% margin
Op. EBITDA

₹ 453 mn

-26.2% YoY | 7.3% margin
Cash PAT

₹ 60.0 mn

-10% YoY
AUV (TTM)

72%

Apps + SOKs
Digital Sales

+37 mn

LTD | MAU 12% YoY
App Downloads

408

+8 in Q2FY25 | 66 cities
Store Network

5% YoY

43% contribution
Off-premise Sales

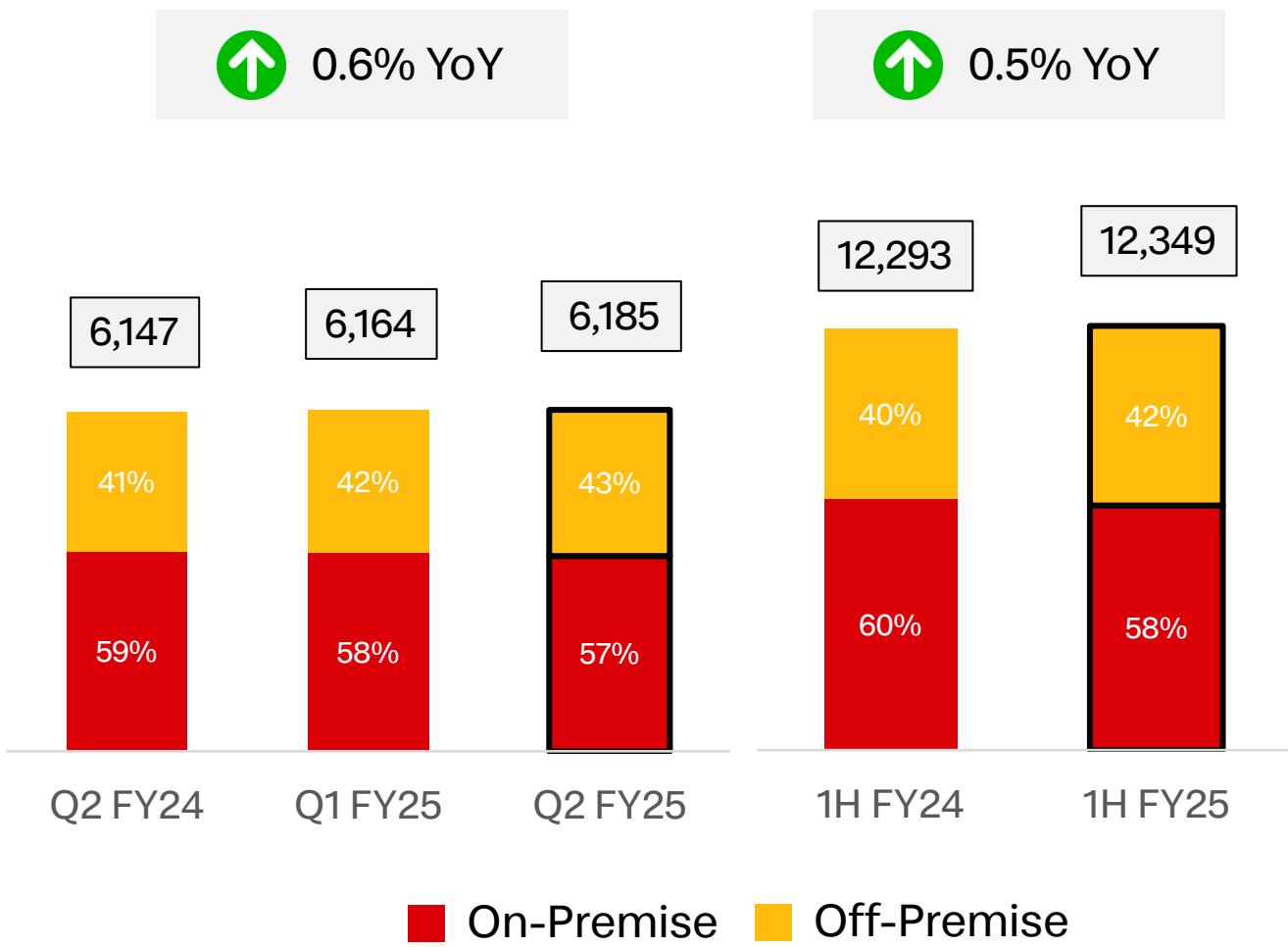
45-50

FY25 | 580-630 by CY27
New Stores target



Guest counts improving, Same store sales to improve in the second half

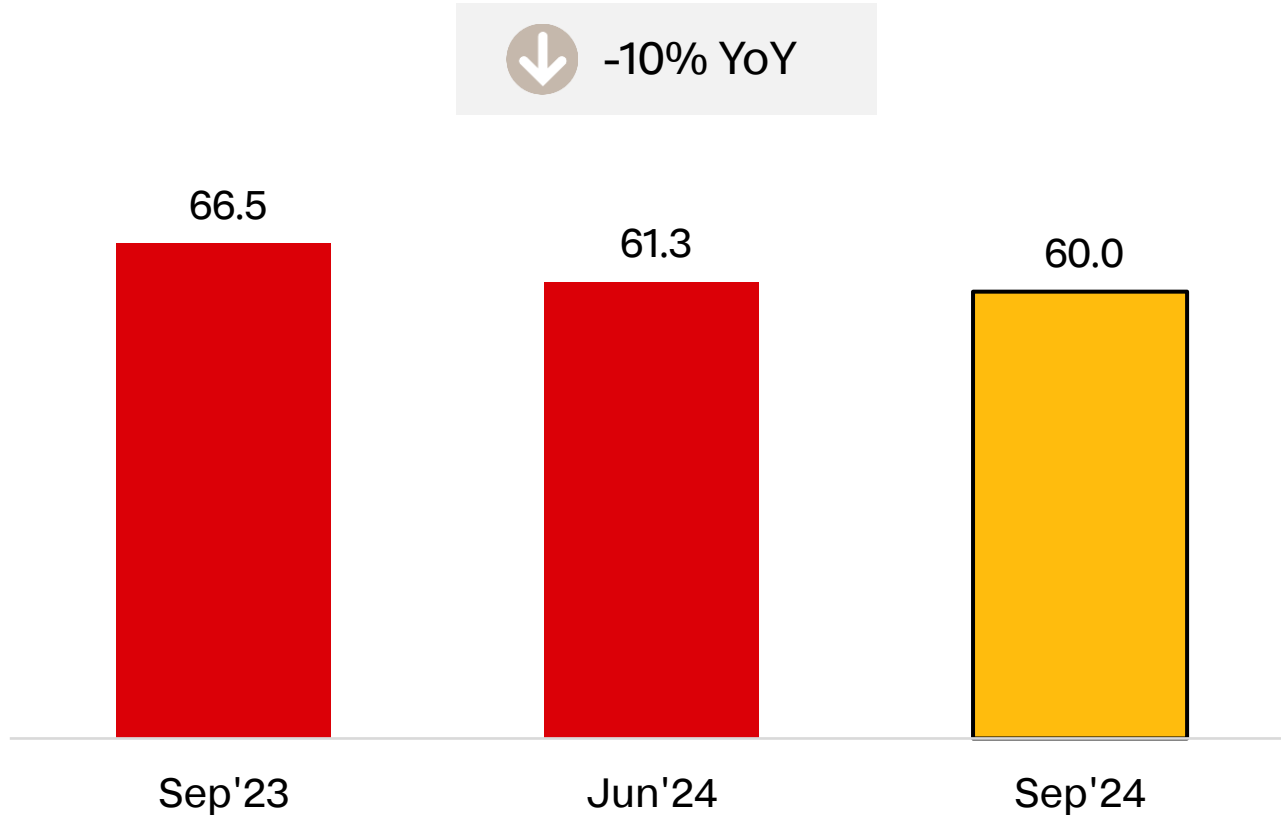
Revenue, INR mn



- SSSG stood at -6.5% YoY (vs +1% in Q2 FY24) on account of subdued instore business. Off Premise business saw broadly stable same store sales.
- Off-Premise business grew by 5% YoY led by Delivery & Drive thrus. Off-Premise contribution was 43% to total sales. On Premise business declined 2% YoY.
- Eating out trends remained stable. We expect business to improve here onwards on the back of product innovation and value platform.

Value platform and Product innovation to drive volume

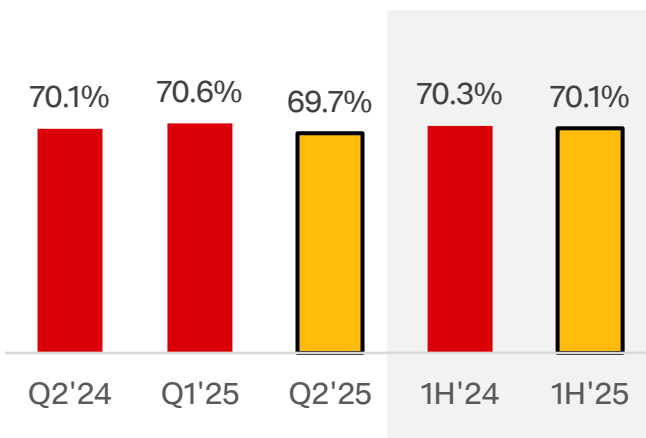
TTM Average Sales Per Store, INR mn



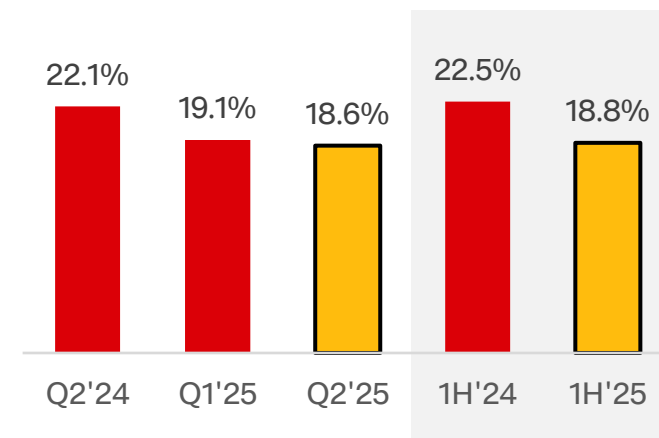
- Sharper communication of Everyday McSaver Meals platform led to positive guest counts in exit month.
- Introduced McCrispy, a new core platform on the menu, for the upcoming festive season in December quarter.
- Digital Sales* contribution at 72% continued to grow on the back of increasing traction in MyMcDonald's Rewards program.
- Introduced the Multi-Millet Bun, in collaboration with CFTRI, strengthening the Real Food Real Good Platform.

Profitability to improve with better scale

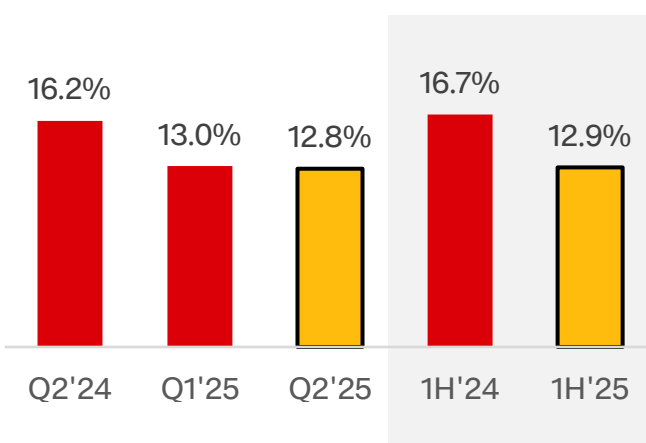
Gross Margin, Percent



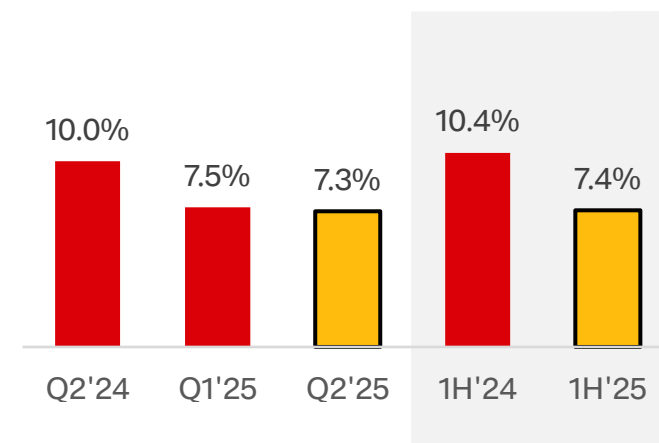
ROM*, Percent



Op. EBITDA Margin, Percent



Cash PAT Margin, Percent



- Gross margin at 69.7%, was lower sequentially on account of temporary spike in fresh produce prices. We expect gross margin to revive to 70% + levels in the second half. System level pricing remained stable in Q2.
- Restaurant operating margins and Op. EBITDA margin were lower by 352 bps YoY and 343 bps YoY respectively on account of operating deleverage and royalty.
- Profitability likely to improve with higher volume. Focused on delivering 18-20% Op. EBITDA margin by 2027.
- Cash Profit After Tax stood at Rs 453 million or 7.3% of sales.

A unique business model catering various market segments across dayparts



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

EXCLUSIVE

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



Robust **Omni Channel** model with unified experience

UNIFIED EXPERIENCE



~72%

Digital-led Sales

+37 mn

Cumulative Apps Downloads

+3 mn

Monthly Active Users (MAU)

Aggressive and prudent **Network Expansion**

Presence in **408 restaurants** across **66 cities** (as of September 2024)

Drive-thrus



86 Drive-thrus

(+5 in Q2 FY25; ~21% of restaurants)

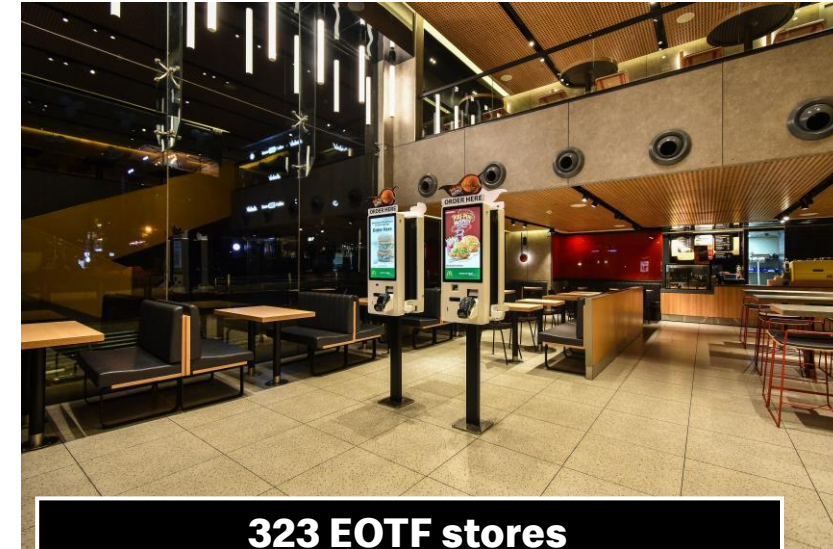
McCafés



383 McCafés

(+15 in Q2 FY25; ~94% of restaurants)

EOTF*



323 EOTF stores

(+21 in Q2 FY25; 90% of restaurants^)

- Added 8 restaurants in Q2 FY25; Closed 3 restaurants
- **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

McCrispy Platform



NEW
McCrispy[®]
Chicken



NEW
Crispy
Veggie



Menu Initiatives

Limited Time Only

Chocolate Festival Comes To Town

Try The New Chocolate Overload McFlurry™ with Oreo® & McCafé Hot Chocolate!

McCafé Hot Chocolate

New Chocolate Overload McFlurry™ with Oreo®

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McCafé

New International Flavours

Available in choice of any McCafé beverage

TRY NEW French Vanilla

TRY NEW Cinnamon Spice

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New

Flavours of India

McAloo Tikki® Burger

CHITUR CHILLI FROM ANDHRA PRADESH

KOLHAPURI CHILLI FROM MAHARASHTRA

BYADAGI CHILLI FROM KARNATAKA

LAVANGI CHILLI FROM MAHARASHTRA

TEA CHILLI FROM TELANGANA

BHAVNAGRI CHILLI FROM GUJARAT

KANTHARI CHILLI FROM KERALA

Also Available in McVeggie® & McChicken® Burger

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Brand Campaigns

Real Food.
Real Good.

+ ADD ON GOODNESS

WITH THE NEW
MULTI-MILLET BUN

MADE WITH
BAJRA, RAGI,
JOWAR, PROSO
AND KODO MILLET.

JUST AT
₹10

McSavers+

Your Favourite Snacking Combos

McAloo Tikki® Burger

Coke® (Regular)

ANY COMBO
FLAT AT
₹69
Only

Coke® Float

NEW
Chicken Surprise Burger

Financials

Particulars (INR Mn, Post INDAS 116)	Q2FY25	%	Q2FY24	%	Q1FY25	%
Sales	6,184.8	100.0%	6,147.3	100.0%	6,163.8	100.0%
YoY Sales Growth %	0.6%		7.4%		0.3%	
Food & paper	1,874.0	30.3%	1,837.3	29.9%	1,812.6	29.4%
Gross Profit	4,310.8	69.7%	4,310.1	70.1%	4,351.1	70.6%
Payroll & Benefits	671.3	10.9%	580.5	9.4%	622.2	10.1%
Royalty	345.3	5.6%	316.4	5.1%	353.8	5.7%
Other Operating Expenses	2,144.4	34.7%	2,053.8	33.4%	2,198.2	35.7%
Restaurant Operating Margin (ROM)	1,149.7	18.6%	1,359.4	22.1%	1,176.9	19.1%
General & Admin Expense	359.0	5.8%	362.8	5.9%	377.2	6.1%
Op. EBITDA	790.7	12.8%	996.6	16.2%	799.7	13.0%
YoY EBITDA Growth %	-20.7%		0.9%		-16.2%	
Depreciation	502.1	8.1%	439.4	7.1%	493.8	8.0%
Other (Income) / Expense, net	(60.2)	-1.0%	(31.8)	-0.5%	(50.5)	-0.8%
Financial Expense	316.0	5.1%	273.9	4.5%	298.7	4.8%
Extraordinary Expenses*	25.7	0.4%	13.1	0.2%	12.5	0.2%
PBT	7.1	0.1%	302.1	4.9%	45.2	0.7%
Tax	3.5	0.1%	78.4	1.3%	12.6	0.2%
PAT	3.5	0.1%	223.7	3.6%	32.5	0.5%
PAT (pre-IND AS 116)	105.5	1.7%	312.8	5.1%	121.9	2.0%
Cash Profit After Tax	453.2	7.3%	614.1	10.0%	463.0	7.5%
SSSG (%)	-6.5%		1.0%		-6.7%	
New stores opening	8		9		6	

1HFY25	%	1HFY24	%
12,348.5	100.0%	12,292.8	100.0%
0.5%		10.7%	
3,686.6	29.9%	3,645.7	29.7%
8,661.9	70.1%	8,647.0	70.3%
1,293.6	10.5%	1,131.8	9.2%
699.1	5.7%	633.9	5.2%
4,342.7	35.2%	4,109.9	33.4%
2,326.6	18.8%	2,771.4	22.5%
736.2	6.0%	721.8	5.9%
1,590.4	12.9%	2,049.6	16.7%
-22.4%		7.4%	
996.0	8.1%	867.8	7.1%
(110.7)	-0.9%	(83.8)	-0.7%
614.7	5.0%	534.0	4.3%
38.1	0.3%	23.7	0.2%
52.2	0.4%	707.9	5.8%
16.2	0.1%	195.9	1.6%
36.0	0.3%	512.0	4.2%
227.4	1.8%	681.0	5.5%
916.1	7.4%	1,283.7	10.4%
-6.6%		3.5%	
14		13	

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) Q2 FY25 (Adjusted)	(B) Ind AS 116 Changes^	(C) Q2 FY25 (Reported)	(D) Q2 FY24 (Adjusted)	(E) Ind AS 116 Changes^	(F) Q2 FY24 (Reported)	(A over D) YoY Growth (Adjusted)
Revenue	6,184.8	-	6,184.8	6,147.3	-	6,147.3	0.6%
Occupancy and other operating expenses	2,454.3	-309.9	2,144.4	2,318.3	-264.5	2,053.8	5.9%
Restaurant Operating Margin	839.8	309.9	1,149.7	1,094.9	264.5	1,359.4	-23.3%
General and Administration Expenses	359.0	-	359.0	362.8	-	362.8	-1.0%
Operating EBITDA	480.8	309.9	790.7	732.1	264.5	996.6	-34.3%
Operating EBITDA margin	7.8%		12.8%	11.9%		16.2%	
Other Income	-51.8	-8.4	-60.2	-25.2	-6.7	-31.8	105.7%
Finance costs	55.9	260.0	316.0	51.3	222.5	273.9	9.0%
Depreciation and amortisation expense	314.9	187.2	502.1	276.1	163.3	439.4	14.1%
Profit/(Loss) before tax and exceptional items	161.7	-129.0	32.7	429.8	-114.6	315.2	-62.4%
Extraordinary Items*	25.7	-	25.7	13.1	-	13.1	95.8%
Profit/(Loss) before tax	136.1	-129.0	7.1	416.7	-114.6	302.1	-67.4%
Tax	30.5	-27.0	3.5	103.9	-25.6	78.4	-70.6%
Profit/(Loss) after tax	105.5	-102.0	3.5	312.8	-89.1	223.7	-66.3%

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



Building a
Bigger | Better | Bolder
McDonald's Together



Westlife Foodworld Limited



Q2 FY25 Earnings Call Invite

Westlife Foodworld Limited (NSE: WESTLIFE, BSE: 505533) will announce its results for the second quarter that ended September 30, 2024, on October 24, 2024. Following the announcement, the management team will host a conference call for investors and analysts on **October 24, 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	October 24, 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

A large, thick yellow smiley face graphic that frames the "Thank you" text.

Thank you

IR Contact

For additional information:

Chintan Jajal | Investor Relations

investor.relations@mcdonaldsindia.com