



Westlife Foodworld Limited
Q4 FY26 Earnings Conference Call

May 07, 2026

MANAGEMENT:

- Mr. Akshay Jatia – President & Chief Executive Officer
- Mr. Saurabh Kalra – Managing Director
- Mr. Shardul Doshi – Chief Financial Officer
- Mr. Chintan Jajal – Lead Investor Relations

Moderator: Ladies and gentlemen, good day, and welcome to the Westlife Foodworld Limited Q4 FY26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone.

We would like to remind you that certain statements made by the management in today's call may be forward-looking statements. These forward-looking statements reflect management's best judgment and analysis as of today. The actual results may differ materially from the current expectations based on a number of factors affecting the business. Please refer to the safe harbor disclosure in earnings presentation.

I now hand the conference over to Mr. Chintan Jajal. Thank you, and over to you, sir.

Chintan Jajal: Thank you, Rutuja. Good evening, everyone, and thank you for joining us on Westlife Foodworld earnings conference call for the fourth quarter and full year ended 31st March 2026. I am Chintan Jajal, Head of Investor Relations at Westlife Foodworld. From the management team, I have with me Mr. Akshay Jatia, President and CEO; Mr. Saurabh Kalra, Managing Director; and Mr. Shardul Doshi, Chief Financial Officer.

As always, we will begin today's session with Akshay sharing his perspective on company's overall strategy and outlook. This will be followed by Saurabh taking us through the key operational and financial highlights. Post that, we will then open the forum for questions and answers. Throughout the call, we will be referring to earnings presentation and financial releases, which are available on the NSE, BSE, as well as investors page of our website.

With that, I now request Akshay to commence the session. Thank you, and over to you, Akshay.

Akshay Jatia: Hello and good evening, everyone. Thank you for joining us today. I hope you've had the opportunity to review our Q4 and full year FY26 results. This quarter, our performance was anchored in strengthening our everyday value platform and on-ground execution. Our focus was primarily on driving guest count growth by making everyday value accessible to everyone. Despite the challenges, we delivered a steady performance underpinned by improving guest count trends and sustained profitability.

For the quarter, same-store sales growth stood at 1.5% while overall top line grew 9% year-on-year. What is particularly reassuring is the underlying improvement in footfall trend with positive growth across footfalls across all three months of the quarter. Similar momentum is continuing into April as well, setting the base for a good start to the new fiscal year. That said, these are still early days, and we would refrain from calling this a sustained revival until we see a few more quarters and months of consistent momentum.

Our consumer proposition is very clear: accessible everyday value combined with iconic McDonald's experiences delivered with consistency and backed by strong economic discipline. We are encouraged by the early evidence of this strategy translating into sustained guest count traction. At the heart of this performance is our unwavering focus on everyday value. Value at McDonald's is trusted, predictable, and habit-forming. Our 99 everyday value meal continues to witness strong traction and has driven encouraging dine-in footfall growth across all our regions.

Building on this proposition, we are leveraging McCafé to drive a daily habit of coffee consumption in India. Our coffee is already loved by millions of people and to further amplify this, last quarter we launched a monthly coffee subscription program to drive repeat visits and strengthen McCafé loyalty.

We continue to focus on deepening consumer engagement to keep the brand contemporary and culturally relevant. During the quarter, we rolled out two merchandise-led campaigns featuring a sipper and a tote bag aimed at driving Gen Z engagement and sustaining brand buzz within the cohort. These engagements were driven primarily through leveraging digital media and we are encouraged by the strong response and brand affinity that they generated.

I'm also delighted to share that last quarter we achieved a major milestone in our sustainability journey. We were ranked sixth globally in the restaurants and leisure facilities sector according to the S&P Global Corporate Sustainability Assessment and were included in the Sustainability Yearbook for 2026. This recognition was awarded to only six companies out of 126 in our industry globally, reflecting our continued commitment to embedding sustainability to be at the core of our long-term growth strategy.

Looking ahead, we remain focused on disciplined and prudent network expansion aligned with improving demand trends and strong capital efficiency. We opened a record 48 restaurants this year, taking our footprint meaningfully higher across both

existing and newer markets. Going forward, we plan to further accelerate our expansion by opening 60 plus restaurants annually with all new stores fully equipped with digital modern design and McCafes, reflecting our confidence in the strength of our industry and the opportunity that lies ahead.

Before I hand it over, I'd like to reiterate that our philosophy remains rooted in profitable and sustainable growth with a clear focus on stakeholder value creation. We are building Westlife for the long term through cycles with discipline and with our consumer proposition firmly at the centre of every decision we make.

With that, I'll now pass it to Saurabh to take you through the operational and financial highlights for the quarter.

Saurabh Kalra:

Thank you, Akshay. Good evening, everyone. I hope all of you are doing well. Coming back to the results, the fourth quarter reflected steady execution amid challenges with our performance driven by improving guest count momentum, disciplined execution, and sustained profitability margin. Throughout the quarter, we remained firmly focused on sharpening our consumer value proposition, which Akshay also spoke about, while consistently delivering the great customer experience McDonald's is famous for across both dine-in and delivery channels.

For the quarter, consolidated revenue stood at INR 6.6 billion, growing 9% year-on-year. For the full year of FY26, revenue stood at INR 26.3 billion, translating into 5% year-on-year growth. The quarter ended with a positive same-store sales growth of 1.5% at the system level driven by mid-single-digit guest count growth, which is the real heartening part.

While the West continued to outperform, I'm especially encouraged by the progress in the South where same-store sales growth also ended the quarter nearly flattish and a meaningful improvement versus previous quarters, and that too on the back of GC momentum which was marginally positive.

From a channel standpoint, on-premises sales grew 9% year-on-year while off-premises sales increased 6% year-on-year. Growth across both channels was supported by positive comparable guest count primarily driven by everyday value meals and sharper digital engagements. Importantly, the McDelivery platform continued to gain scale and salience, witnessing strong growth across dayparts and demonstrating early evidence of a robust and sustainable growth engine.

Now moving to profitability, our continued focus on execution discipline and cost optimization helped anchor our margin performance. Gross margin for the quarter remained near historic high levels of 68.1%, improving by around 60 basis points sequentially. Restaurant operating margins improved by approximately 70 basis points year-on-year. Our operating EBITDA remains broadly stable year-on-year despite higher advertising and promotion spend and continued growth investments.

Cash profit after tax stood at INR 487 million, representing 7.4% of sales. FY26 witnessed continued inflationary pressures across key commodities, notably cocoa and coffee. However, the impact was mitigated through supply chain efficiencies and our full-year like-for-like gross margins stood at 67.7%, improving by around 140 bps year-on-year. Restaurant operating margin grew approximately 100 basis points year-on-year to 20.3% while operating EBITDA remained stable at 13.2%. For the full year, cash PAT was at rupees 2.4 billion, representing 9% of sales.

Our digital sales contribution stood at 76%, increasing over 100 basis points year-on-year, primarily driven by higher engagement across McDonald's app, McDelivery platform, and self-ordering kiosks. These continue to enhance frequency, personalization, and operation throughput at scale. Cumulative app downloads have now crossed 52 million with approximately 3.5 million monthly active users, growing at a healthy double-digit rate year-on-year.

On the network expansion, we continue to follow disciplined and a prudent approach. We opened 21 new restaurants in quarter 4, taking our total tally to 478 restaurants across 78 cities. New store performance remains encouraging supported by improved site selection and a stronger execution rigor.

On the operations front, we continue to closely monitor LPG situation and have taken proactive measures to mitigate operational risk as much as possible. Prior investment in store modernization and capability upgrades have translated into greater resilience in this current environment. All our restaurants are operational with less than 10% of the restaurants operating on limited menu.

To conclude, Q4 reflects the strength and resilience of our core business fundamentals, our continued focus on everyday value, disciplined execution, and structured profitability. This positions us well as demand trends improve gradually. As we move forward, our priorities remain clear, driving guest count-led growth, strengthening our consumer value proposition, building brand affinity, scaling digital capabilities, and expanding our network responsibly.

With that, thank you very much for your time and we are very happy to take whatever questions you have.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Devanshu Bansal from Emkay Global. Please go ahead.

Devanshu Bansal: Yes, hi, good evening, everyone. So, congratulations on good store openings as well as good gross margin performance. Sir, Q4 was impacted by supply side disruptions, there was some preponement of Navratri as well. So, wanted to check if you could help us better understand the normalized SSG during the quarter? This would help us better project the underlying consumption trends.

Saurabh Kalra: So, as I spoke when I was giving you the review of quarter four, we had high mid-single digit guest count comps. Needless to say, there were other pressures beyond Navratri also like LPG not being available in a few restaurants. 10% of our stores were impacted pretty much from 10th of March onwards. So, I think, but all of this in the big picture is all fair because last year also something would have happened.

So, what we would like to believe is if we take the same store bucket, what has it done this year? This is the number which comes out. So, I would not like to break it further and be able to say, we will remove Navratri, something or the other keeps happening in an Indian environment and the real performance is what comes out. So, for us, that's how I would put it as 1.5% is what we've delivered with a mid-single digit guest count comps, which is the number of invoices.

So, and we are pleased that after a long time now, we've started hitting a momentum which is 8% to 10% on growth and we believe we're poised to continue this momentum.

Devanshu Bansal: Got it, Saurabh. Saurabh, I also wanted to check across regions you indicated that South has turned positive and despite that we are at 1.5%. I wanted to check has there been a dip in SSG in the West region if you could throw some light there?

Saurabh Kalra: So, what I talked about South was, South has made a significant amount of improvement on the sales side while the guest count turned positive. And that is something which was a problem which we had pointed out in the previous call. So, we wanted to let you know about that. Like I said, there were multiple disruptions even in West like LPG etc.

So, we are happy with what we've been able to achieve in terms of 1.5%. West remains strong. Obviously, most of you are based out of West. You can go to the restaurants and see West remains a very strong driver of growth for us. And what we are seeing is green shoots in West definitely. South also coming in, as I'm talking to you.

Devanshu Bansal: Understood. So, you're saying that guest count has turned positive for the South for the quarter, right, on a same store level?

Saurabh Kalra: Yes.

Devanshu Bansal: The last question from my end, we have taken conscious efforts to ramp up our delivery channel, plus last quarter we indicated improved relationship with aggregators also. And in your commentary, you mentioned that the monthly active users are growing at double digit, right? But if we see overall growth, it is around 5%, 6%. So, when do you expect these initiatives to reflect into better growth for us?

Saurabh Kalra: So, on total growth, I think there was a fundamental change we made and we spoke about it last year starting second half onwards, that what we do need is volume growth, which means guest counts need to start coming. Value is not difficult in a current environment to get, but we wanted to really, really focus on volume. So, that's what we did and we got good volume growth on our own channel, 3PO, and our dine-in.

While it grew there was a 2%, 3% difference and we're happy that dine-in grew faster. But normally if I look at an overall and I reflect back or reflect forward, I think we would like to believe we would actually grow at a similar level in both dine-in and delivery. That's how we are looking at the business going forward. So 2%, 3% here and there keeps happening quarter by quarter.

But on the longer-term outlook, what I would like to believe is while delivery has grown 6%, the guest count was far higher. While dine-in has grown 9%, the guest count was far, far higher. So, we would like to balance equal amount of growth coming from both dine-in and delivery channels and all of them led by more volume than value.

Devanshu Bansal: Fair, enough. Just small follow-up for your own delivery channel. Is this monthly active user double digit growth also reflecting into transacting users for you?

Saurabh Kalra: That's correct. That's correct. For our own channel, we see the highest amount of growth coming on our own channel. Obviously, the base of our own channel is smaller, relatively speaking. So, it does not really come into the result directly as of now, but we believe it should start reflecting over a period of time.

Devanshu Bansal: Okay, great, Saurabh. Thanks for taking my question.

Moderator: Thank you. The next question is from the line of Kaivalya Baing from IIFL Capital. Please go ahead.

Percy Panthaki: Hi, this is Percy Panthaki here. I just wanted to get some insight into your gross margin. What is the reason for the very healthy expansion that you have seen there?

Saurabh Kalra: Percy, we've been able to always make, there are three, four levers in gross margin and when all of them play together, we are always able to maintain and improve margins. I think last year, inflation was a little bit in our favour versus what we normally get. It might not repeat this year.

In addition to that, if I look at it, we have got supply chain initiatives and we did a cost project internally, which has worked out quite well for us and we've been able to save some amount of gross margin which was able to not only mitigate inflation but also give us saving beyond that, which is what you see.

Percy Panthaki: Okay. And any price increases that you have recently taken? I believe Dominos has taken some price increases already and there are some inflationary pressures building up. So, what are your thoughts on FY27? What kind of contribution of pricing can we assume from the growth?

Saurabh Kalra: We've always maintained that year-on-year we pass on 2% to 4% of price increase year-on-year. We generally don't talk about when do we do it, how do we do it. Normally, we do it in three, four tranches. It's a very small increase which you would not even be able to identify. For now, we've not been able to take any price increase for the last four, five months.

For immediate future, we don't have a plan as of now. We will come back to you. We believe the inflation which is hitting we should be able to manage. If there is a small price increase here and there, it might happen. So, for the year, the outlook remains constant. 2% to 4% is what we take so that we are able to manage inflation better.

Percy Panthaki: And on South India, what exactly were the initiatives or the actions that you have put in, the interventions that you have put in, which has worked? Can you just explain it a little bit in detail?

Saurabh Kalra: So, South really, we were doing a lot of things. We put a stop to everything, and we went back to what we are really famous for, which is everyday value platform. And what we've done in West, we tried in South first and we've then started to roll out. Except Chennai pretty much everywhere we're doing everyday value platform. And in Chennai, we are experimenting in half the restaurant, which have given great results. So, this quarter we plan to roll everyday value platform including in Chennai. But other than Chennai, the entire South we've done everyday value platform, which has started to give us good traction.

Percy Panthaki: But when you say that you are doing a lot of things earlier which you have put a stop to, what exactly does that mean?

Akshay Jatia: I'll just clarify for Saurabh as well that I think focusing on the everyday value platform and what McDonald's is known for, which is delivering quality service and cleanliness in every one of our restaurants is what we've really focused on. So, we went back to the basics and I think in the South while we continue to leverage our different menu categories, we focused primarily on our core, which is ensuring that customers get everyday value and we offer them the best possible experience in our restaurants.

Percy Panthaki: Okay, got it. Thank you.

Moderator: Thank you. The next question is from the line of Krishnan Sambamoorthy from Ashika Institutional Equities. Please go ahead.

Krishnan Sambamoorthy: Yes, hi. Two questions from me. One is on the store openings front. You've guided for 60 plus openings in FY27, which is higher than the usual 40 to 50 stores that you've been guiding for. Can you take us through the rationale and your confidence, how have arrived at this number?

Akshay Jatia: So, I think, we've always committed to this larger number of 580 to 630 restaurants in our Vision 2027. And as we've been deploying all our initiatives to further grow our average unit volume, we've seen great momentum and we do feel that in our region there's a lot of opportunity for penetration.

And we've always maintained that we will continue to penetrate as we feel is logical and we feel now from 45 to 50 restaurants, 60 plus is the number that our market can

handle in order to grow sales profitably. So, I think that's how we came to give out this guidance and we're quite confident that it will further add to our growth aspirations.

Krishnan Sambamoorthy: Thanks. The second question is on store closures. While McDonald's has typically done a great job in terms of store openings, over the last couple of years you had between 7 to 8 store closures, which is not a very significant number of the overall number, but still higher than the longer-term average. My question is what are the reasons for store closures and particularly the store closures for the current year, and would this be a feature in subsequent years as well?

Akshay Jatia: So, in a retail environment, actually to operate most optimally you do have to keep re-evaluating your portfolio. We call it portfolio management. And across 500 odd locations there will be locations that either become redundant or are no longer commercially viable and actually it's best for the network that you optimize. It's one of the most effective ways to run a network. So, I think in the past we've been very prudent.

We will continue to be, but as our network keeps expanding you will see store closures to optimize our portfolio and I think the current number would probably be a fair representation of, you know, the guidance that we would give. And I think that it's only for the benefit of our portfolio.

Krishnan Sambamoorthy: Yes, just a follow-up to that, because of the relook at the South India business, were more of the store closures skewed towards the Southern market?

Akshay Jatia: No, nothing like that.

Saurabh Kalra: So, like Akshay said and you also know that we don't like to close too many stores. We would like to do it for portfolio management. But if you look at it from a portfolio standpoint, we would have closed two, three stores, two, three malls shut down. Some of the places there is a new highway which comes up and all of a sudden accessibility is blocked. So, it's not that we are keen on closing more stores.

As a portfolio like he said, we will continue to close six, seven stores because three, four stores automatically comes as some or the other problem occurs in this kind of a network. 1% store have an issue which occurs and then there is one or two more closure which can happen due to tenure etc. etc. So, it's nothing major which we would like to call. It's a part of our portfolio management and ways of working.

Krishnan Sambamoorthy: Very useful. Thanks a lot.

Moderator: Thank you. The next question is from the line of Rishi Mody from RDM Advisory LLP. Please go ahead.

Rishi Mody: Hello, hi guys. Can you hear me?

Moderator: Yes, we can. Please go ahead.

Rishi Mody: Yes. Firstly, I just wanted to understand the 80-bps year-on-year improvement in opex...

Saurabh Kalra: Rishi, your voice is your voice is not clear. It's a little wobbly. So, if you can be closer and can be louder.

Rishi Mody: Is this better?

Saurabh Kalra: Little better.

Rishi Mody: All right. So, I wanted to understand firstly the 80 bps Y-o-Y improvement that you'll have shown on the opex front in your slide. What has that led to? What's led to that improvement if you could help me understand that?

Akshay Jatia: So, I think that, you know, we'll just take a look at what you're referring to. Which opening which number are you talking about?

Rishi Mody: Just a second. I have the PPT open with me.

Akshay Jatia: I think Rishi, I think this question we can take offline. You can reach out to Chintan and I think he can explain that to you along with our CFO because, we'd like to limit the discussion to more strategic points.

Rishi Mody: Okay, fine. Second, you mentioned in the Q3 call that the toys issue is a BIS issue, but I was just reading up on it online. It seems that there's a structural move by McDonald's globally away from toys to books for some sustainability reasons. So, just wanted to understand are toys going to come back for your Happy Meals or if you could just give some clarity that on that piece?

Saurabh Kalra: So, like you rightly said, there was a BIS issue and government has also opened up a few countries now. We are working very hard with the supply chain team to make sure the toys come as soon as possible, including getting the BIS certified factories

supplying us toys. We were also working parallelly for Indian vendors to get BIS approved. That's or Indian vendors to be both McDonald's and BIS approved. So, that is happening in the background.

We foresee that by next year, it will still take almost nine months to one year is in our judgment to be able to bring toys back. But books are already there. We have been -- since the time toys were banned, we've been using books as a Happy Meal giveaway in our restaurants. So, that's what an update on that is.

Rishi Mody:

Okay, got it. Finally, just one structural piece on consumer behaviour, right? You'll launched this protein slice thing. So, just wanted to understand is there like are our consumers justifying coming in to have McDonald's with the protein slice as a healthier version or people are moving away from Western QSR citing health reasons? Like just what's your read on the consumer behaviour? Is there a health-conscious consumption wave that is structural in nature or it's people revert back to QSR?

Saurabh Kalra:

So, let me come back to you on this point in two parts, right? The first part is as I talked about that there was a mid-single digit consumer the guest count growth, which means the number of consumers came were 5% extra and we are seeing the momentum grow even higher. So, I don't think that there is an issue when you talk about health.

In fact, as McDonald's I've always maintained and I always maintain this to everybody that if there could be absolute transparent norms where people choose what they eat, McDonald's would be better than most things people eat sometime even better than what you eat at home if would be my argument. But having said that, I think as McDonald's we charted a path in 2016 on real food, real good.

The first thing we did was made Aloo Tikki Burger which is our highest selling product into a balanced meal that broadly it confines to all the parameters which is calories coming out of carb, fat and protein are balanced basis the National Institute of Nutrition guidelines. So, we did this in the background. Now obviously you don't sell by saying healthy Aloo Tikki, right? So, it you or you say don't say nutritious Aloo Tikki.

This is what we did in the background. Then we kept working on saying can we reduce sodium on French Fries? Then when we went out about reducing fat in our mayonnaise, right? That's something which has been happening from last 10 years in

the background. Last year was protein slice for people who want to have excess protein in their diet, they know that you can always add 5 gram of protein.

So, it's a journey which McDonald's is taking not because there is health. Eventually, we would like our consumers to choose what they eat and in in that spirit, Millet Bun was a choice, this is a choice. So, we want to provide as many choices to our consumer as possible.

Rishi Mody: All right, got it.

Moderator: I would request Mr. Mody to please rejoin the queue.

Rishi Mody: Just a quick follow-up. Let me just check that with the management. When you said 5% customer growth, you meant 5% unique customer growth, or you meant like 5% bill cut growth?

Saurabh Kalra: So, obviously we don't give breakups. Needless to say, any business has a Pareto, lot of people customer come new, some are regulars. Now on this call, we do not give and share that information. But when you see 5% growth in any company there would be a lot of new customers which would have come in the fold and a lot who would have continued to transact with us.

Rishi Mody: All right, got it. Thank you. That's all from my end.

Moderator: Thank you. The next question is from the line of Gaurav Jogani from JM Financial. Please go ahead.

Gaurav Jogani: Thank you for taking my question. I have two sets of questions largely related to margins. So, first one is, with regards to your guidance on the gross margin front, you have mentioned that in the near term the gross margins could be at the 67% plus. So, is it largely in caution with the inflation that we are seeing on multiple counts? And if yes, you know, that's approximately 100 bps lower versus the current levels. So, any guidance on the same will be helpful.

Shardul Doshi: Yes, it is in line with the inflation which we are seeing currently in the market. There is of course lot of pressure which is there on the suppliers too with the geopolitical situation, so there'll be some inflation. But there are also some cost optimization programs which we run and hence we have given you the indicative number of in terms of the 67% COGS going forward. Sorry, the gross margin going forward.

Gaurav Jogani: Okay, okay. Thank you. And just an alluding question to this is with regards to the guidance for the Vision 2027 margins. Now for this year, if we look at the pre-Ind AS EBITDA margins, they're roughly in the range of around 7.5% percent. Now for that Vision 27 number, we are -- you know hardly one and a half years away from that number. So, is there any change to the guidance or was still confident that we'll be able to achieve that guidance? Any change in the outlook if you can highlight?

Akshay Jatia: So, just to answer that firstly, from an Ind AS to Ind AS comparison, I think we're talking about roughly this 7.5% or 7.8% that you mentioned going to around 13% to 15%. I think a lot of the improvement is going to come through operating leverage and when we're seeing such momentum in terms of same-store sales growth and guest counts, we're quite confident that we will move closer towards what we've committed.

In terms of Vision 2027, the journey is for us to balance comp sales as well as new store additions over the next year and first cross say INR3,000 odd crores in sales. I think that's how we are looking at it and then we will talk about the breakup for the next two years sometime closer to the start of the next financial year to give more color on Vision 2027.

Gaurav Jogani: Okay, sure. Thank you. That's all from me.

Moderator: Thank you. The next question is from the line of Tejas Shah from Avendus Spark Institutional Equities. Please go ahead.

Tejas Shah: Hi, thanks for the opportunity. My first question pertains to the interplay between SSSG, gross margin and footfall that you have called out. So, clearly the fact that footfall has been higher than SSSG, I am assuming that a lot of recruitment of mix would have gone on the value format side. But still we delivered very good gross margin. So, was just trying to deconstruct that what worked on raw material side that you -- which worked in our Favor this quarter?

Saurabh Kalra: See luckily for us supply chain is managed on an annual basis. We've got contract sometime those contracts we are able to deliver higher volume so cost comes down and then the next protocol starts etc. etc. So, to me that's why we gave a guidance saying this quarter we've been able to achieve this, which is true for the year. Our internal goal is to be able to as close to the yearly number as possible for the next year, but realistic guidance is what Shardul gave you that, that's what we see is sustainable.

Tejas Shah: Got it. Second, the acceleration on store expansion target restaurant expansion target that we have. Now you called out that it's a very volatile environment as we are entering this year. Just wanted to know have we budgeted in this guidance that let's say if this situation has to persist for first six months, this guidance will stay intact kind of factoring for this scenario to prolong?

Saurabh Kalra: Which scenario?

Tejas Shah: The current raw material scenario on the LPG and other crisis that you called out, which is hurting one part of the demand. I am saying in this guidance have we built a scenario that if this persists for let's say for six months, we remain committed to this this store expansion target?

Saurabh Kalra: We will because I think these are things which are not new to India. I think something or the other always comes up in our country like as dynamic as India. And I believe this volatility is also a friend of businesses. If you are able to use it effectively, these are all opportunities. So, I don't look at changing that. There are levers in our hand. For example, if it goes up dramatically it will go up for the entire industry and everybody takes up a little bit of price increase because of that.

So, so I think we've got we've got more and enough to manage at least on the cost side I'm not too worried. Our key goal like Akshay said remains how do we make sure that we deliver more comps sales and more growth with new store opening. And as long as that happens the rest will fall in place.

Tejas Shah: Got it. Thanks.

Moderator: Thank you. The next question is from the line of Saurabh Kundan from Goldman Sachs. Please go ahead.

Saurabh Kundan: Yes, thank you very much for the opportunity. Your value platform initiatives have obviously given you encouraging results with guest count being in mid-single digit. Going forward, do you plan to accelerate these initiatives? Related question is this the 99-value meal maybe other value initiatives that you have, have they been completely rolled out or you expect to sort of roll them out further into your network?

Saurabh Kalra: I think like I said, value is something which is intrinsic to the industry and especially McDonald's globally. We do the highest guest count and sales numbers across the globe because we are a strong value player in an omni-channel environment, right? So, there are plays which are not yet played out. You will see us having a lot of exciting

stuff coming in the next one to two years and value as the work has just started in our opinion.

Saurabh Kundan: Okay. Okay. This just trying to ask it in another way. There's a gap between the SSSG that you've reported and guest count. So, can we expect this gap to further widen or contract or remain the same is what I meant to ask basically?

Saurabh Kalra: No, no. So, obviously we are working hard because in most cases value platform should not mean dilution of so much. But we were very clear we wanted to get volume first. We've been volume starved a little bit in the last two years and we had to reimagine our strategy. I think value we've got multiple levers in place to pick it up whenever. So, we will remain disciplined around whatever we have done and not giving up any further margin than this as far as the product mix is concerned.

Saurabh Kundan: All right. All right. Thank you.

Moderator: Thank you. The next question is from the line of Siddarth from NAFA. Please go ahead.

Siddarth: Hello, sir. Thanks a lot for the permission from me to now raise a question to you. So, my question is around that in the recent quarters we've seen some slowdown in the QSR space as a whole. So, considering the recent Middle Eastern tensions and the LPG crisis going around, what's your forward-looking outlook in terms of the SSSG in terms of the existing operations? I would just like to have a view on that.

Saurabh Kalra: I think we've been repetitive on this front. We reap what we sow. I think we did not shy away even when we had negative growth that these are things of our making and some decision which we made did not play out the way we anticipated it to play out.

We've gone back like Akshay said back to our basics to be able to go back to a model which works globally also and replicate that playbook in in India back to basics, back to EVM and we do not see with that strong platform us not having enough to increase the momentum on the same store sales growth front.

Siddarth: Okay, understood. So, is there any revenue guidance if you may possibly give me an idea on in terms of?

Saurabh Kalra: So, we don't give any forward-base margins guidance for sure. But like we would we as Akshay just spoke, we would like to go to INR3,000 crores as early as possible, right? So, we would like to grow our same-store sales growth as early as possible towards mid-single digits.

- Siddarth:** Okay, understood. Thank you and wish you all the best.
- Moderator:** Thank you. The next question is from the line of Vishal Punmiya from Yes Securities. Please go ahead.
- Vishal Punmiya:** Yes, thank you. Question is on the McCafe performance...
- Moderator:** Sorry to interrupt you, Mr. Vishal.
- Vishal Punmiya:** Is this better now?
- Moderator:** Sorry, but we have lost the line for Mr. Vishal. The next question is from the line of Devanshu Bansal from Emkay Global. Please go ahead.
- Devanshu Bansal:** Yes, sir. Hi. Thanks for the follow-up opportunity. I just wanted to sort of check on this partnership which we've entered with Jio-bp. Is that also leading to this improvement in store outlook that we're sharing?
- Saurabh Kalra:** Actually, we've got partnerships with HPCL, BPCL, and now Jio-bp. So, that is those partnerships are meant to expand our footprint on the highways. We've done a good job as far as Mumbai-Pune highway is concerned and we see a lot of access control highway coming in and we want to make sure that we've strong partnership so that we can put the network in. But all this was already baked in when we had given the guidance of going to 45 to 50 and then now 60 plus. So, it will not be basis one partner or one place. It is holistic.
- We do want to have more restaurants in airports; we want to have more restaurants in infrastructure-led growth including malls and highways. So, that's one part of the portfolio. The second part of it is we want to continue penetrate markets the six key markets like Mumbai, Pune, Bangalore, Hyderabad, Ahmedabad, Chennai. That's not going out of flavour. So, if we do stores there, so it's a balanced portfolio which we want to drive and Jio-bp is one such partnership in that direction.
- Devanshu Bansal:** Amazing. And sir just wanted to check on these new beverages that have been launched globally under the McCafé platform. Any chances to bring those products to India as well? There is lot of noise around that.
- Saurabh Kalra:** Yes, I think global has done a fantastic job. They will also come as a part of global core. We will make that choice when we need to. For now, we think we've got work to be done as far as the coffee category is concerned in the cafe. It will play out at some

point in time. Like I said, we've got multiple things up our sleeves without giving you directly saying this is the global beverage platform we'll roll out in India also.

I would rather give you a guidance that we're very closely focusing on the consumer, and we are taking cognizance of this beverage trends amongst Gen Z too. But the first play we see is strengthening McCafé and coffee credential as the most important play as we go and solidify our beverage credential.

Devanshu Bansal: Got it, sir. Got it. Thanks for taking my question.

Moderator: Thank you. The next question is from the line of Vishal Punmiya from Yes Securities. Please go ahead.

Vishal Punmiya: Yes, am I audible now?

Saurabh Kalra: Yes, Vishal, loud and clear.

Vishal Punmiya: Okay. So, my question was on McCafé, if you could help with McCafé's performance in FY26 in terms of maybe revenue contribution or how revenue per store for McCafé has improved in FY26, that would be helpful.

And secondly, in terms of strategy for McCafé going forward, while there are many smaller cafes opening up every nook and corner, we also have a big QSR now entering the cafe space. So, any change in thought process or strategy for McCafé going forward or in terms of aggression?

Saurabh Kalra: I think the more the merrier as far as coffee is concerned. Coffee is a category which I think is underplaying right now in India and it's got a huge potential to grow. The more people who can work on creating daily habits, the better for us and better for coffee business. I think our job we've cut out if you look at it our proposition is differentiated. Probably we do the best coffee in the country at a price which is unbelievable and that we do because we want to create a daily coffee consuming habit in the country and democratize the coffee experience.

We want it to continue grow -- we see it as a growth lever even for the next two to three years to come. So, we don't really worry about who's coming, who's not coming because coffee scene has been hot pretty much with coffee shops etc. from the last five years and we've still been able to do a substantial job.

I would argue that in most places we sell more coffees than any coffee shop in the trade area. So, I am quite confident of our McCafé proposition and I think our job is to democratize and make more people habituated to drink everyday coffee in McDonald's.

Vishal Punmiya: Yes, agreed on the quality part, the product is obviously one of the better coffees in the market, but in terms of maybe marketing initiatives do we need to scale up that part? And also if you could just update on the performance in FY26 in terms of revenue or mix within the overall business?

Saurabh Kalra: So, on overall business obviously we don't break it out, but all I can tell you is the biggest marketing work which we've done is look at it only from a standpoint of how do we make McDonald's the destination to drink their everyday cup of coffee? And in that spirit, we roll out the subscription in which a McCafé beverage is available if you come 10 times in a month only for INR 55, which is you don't have to think twice from a monetary standpoint. I think if we are able to get the success we've gone to in that, we don't have to worry about anybody else.

Vishal Punmiya: Understood. Just lastly on pies as a platform, globally pie does really well in terms of contributing to the meal. Any plans to basically add that to our India portfolio in a bigger way? We obviously had tried in the past, but any plans for future?

Saurabh Kalra: Yes, so on the menu like I said there will be exciting stuff coming in. Typically, we've got Pizza Puff, which is our Savory pie, which we sell right now. Whether we want to do sweet pie or not I think in the priorities list we have, we need to strictly prioritize what will really give us results and that's something which we are working towards and working with consumers to be able to say what will work. And you will see that happening in the marketplace and you will see exciting news even on menu from us.

Vishal Punmiya: Okay, understood. Just lastly appreciated the recent marketing initiatives regarding the sippers and the tote bags. I think it did really well. It was out of stock across all stores. I couldn't find it anywhere. But kudos to the team for that.

Saurabh Kalra: Thank you very much, Vishal. Thank you so much. You should talk to Chintan. He can send you the sipper and tote bag in advance when it comes.

Vishal Punmiya: Okay, sure, sure. I'll definitely do that. Yes, thank you.

Saurabh Kalra: Done. Thank you, Vishal.

Moderator: Thank you. The next question is from the line of Tejas Shah from Avendus Spark Institutional Equities. Please go ahead.

Tejas Shah: Hi, thanks for the follow-up opportunity. Just one question and this is one at industry level and one at our level. So, at a very broader level, QSR industry actually started massification or focus on value segment post-COVID revival phase. So, do you believe that from competitive landscape we've hit the price point in terms of where it doesn't make sense to go further below so that mix at industry level should not deteriorate from here? That's one. And it could be this could be conjecture answer also.

Second is actually in our mix also, from price point perspective do you think that we have reached to a stage where further democratization won't happen at least on the pricing part? And on in terms of roll out also, do you believe or do you read that it has actually reached an optimum mix in terms of where you would like it to settle down at?

Saurabh Kalra: I would like to believe that India is growing, per capita income in India is growing. So, what we have currently is a great value proposition for the consumers. The first question will be for how long should we hold this to make sure that we keep unlocking the consumer base of India to, which we want to. To me, that's the bigger question rather than us being able to say this is optimum, not optimum because see what value means keeps changing.

Immediately after COVID when we created even the Vision 2027, a large amount of assumption was big burgers will play a big role while it's not all which is not exactly played out. It did a great job; there's a base which we've set up and that base has remained pretty much consistent.

So, when I look at value, I think it's either cycles, these are promix play. I think, I am very sure that after value we'll at some point in time we'll go to core, then we'll go to premium, then come back to value. These are all cycles which will play out as they have played out in the past.

Tejas Shah: Sure. And from your past readthrough, usually what are the like approx. number also? What are the tenure of such cycles?

Saurabh Kalra: Cycles?

Tejas Shah: Yes.

Saurabh Kalra: See depends on activity that cycle I can't predict because when there is lot of information flowing through cycles last one year. Sometime cycle last seven years also. When we did branded affordability, that cycle was seven years. Then we became premiumization, that lasted for almost four, five years. Then it shortened just before COVID. It was almost two-to-three-year cycle. So, what will it now be depends on what people are feeling.

And therefore we need to keep very close watch on what the consumer is thinking, what the consumer is going through. You know, there could be fatigue when everyday everybody screaming new things. There could be a fatigue and people might go to back to classics. For that we need to always be listening to the consumer and create strategy accordingly. So, I would not predict the tenure of thing. All I am saying is nothing goes out of fashion. It always comes back.

Tejas Shah: Totally agree. Thanks and all the best.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to management for closing comments.

Akshay Jatia: Thank you so much, everyone, and we look forward to seeing you next quarter.

Saurabh Kalra: Thank you.

Moderator: Thank you. On behalf of Westlife Foodworld Limited, that concludes the conference call. Thank you for joining us and you may now disconnect your lines. Thank you.

Disclaimer: Please note that this transcript has been edited to correct any inadvertent grammatical inaccuracies or language inconsistencies that may have occurred while speaking. The audio of this call is available [here](#).