



# Westlife Foodworld

Hardcastle Restaurants Pvt. Ltd.

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## Corporate Presentation

March 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



- **341 Restaurants**
- 52 cities
- +520mn addressable population in 12 States/UTs



## Modern & Relevant Stores

- 84% with McCafe
- 70% in Experience of the Future format
- 20% with Drive thrus



- **Unique business model**
- Highest Average Unit Volume in India QSR



- **9,000+ strong work force**
- 32% Women employees
- Highly experienced professional management



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



- **+57% Digital led Sales**
- +22 mn Own Apps Downloads



- **Eliminated single use Plastic Packaging**
- +640k lts. biodiesel produced

# 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**

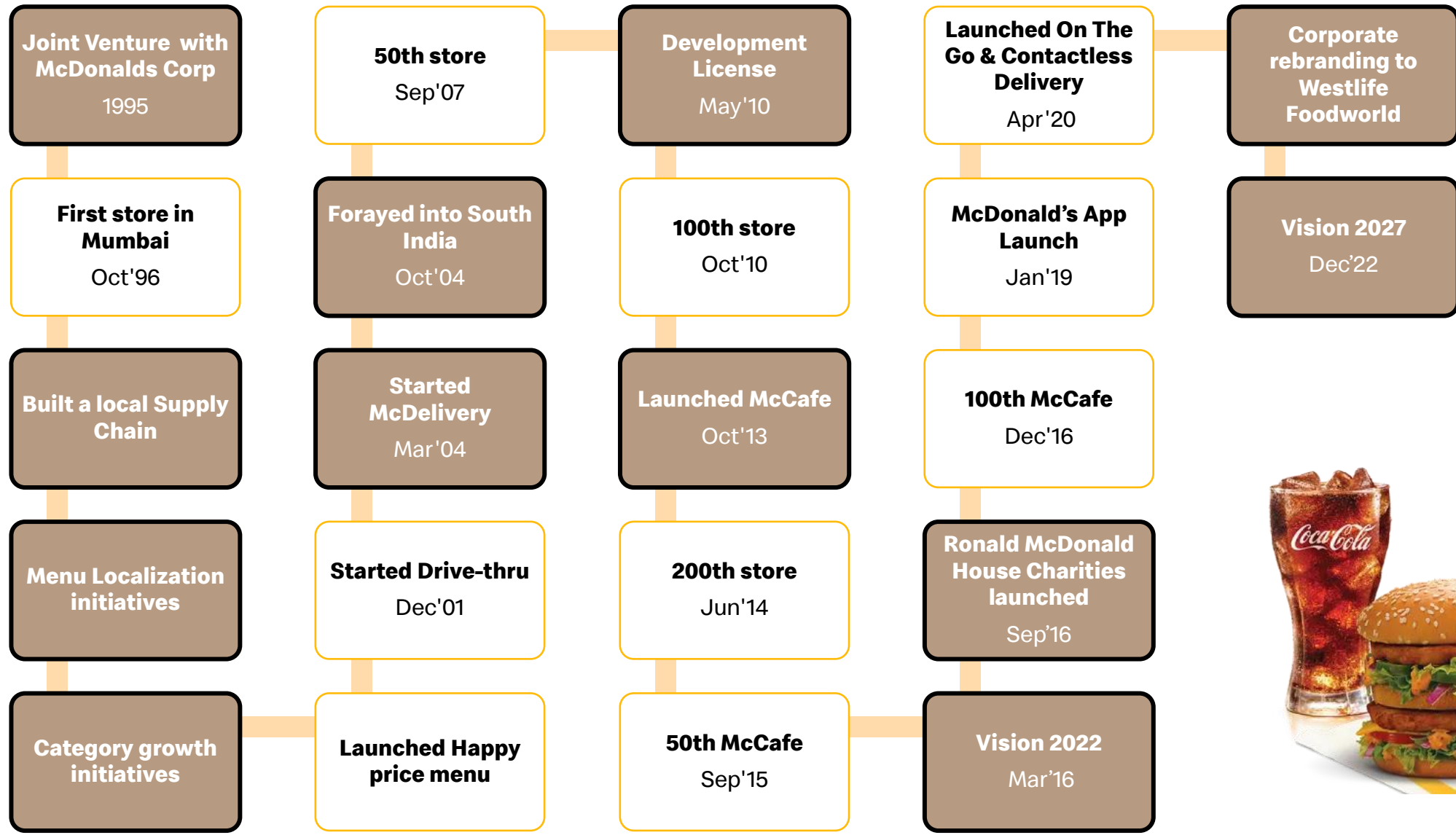


**Community**

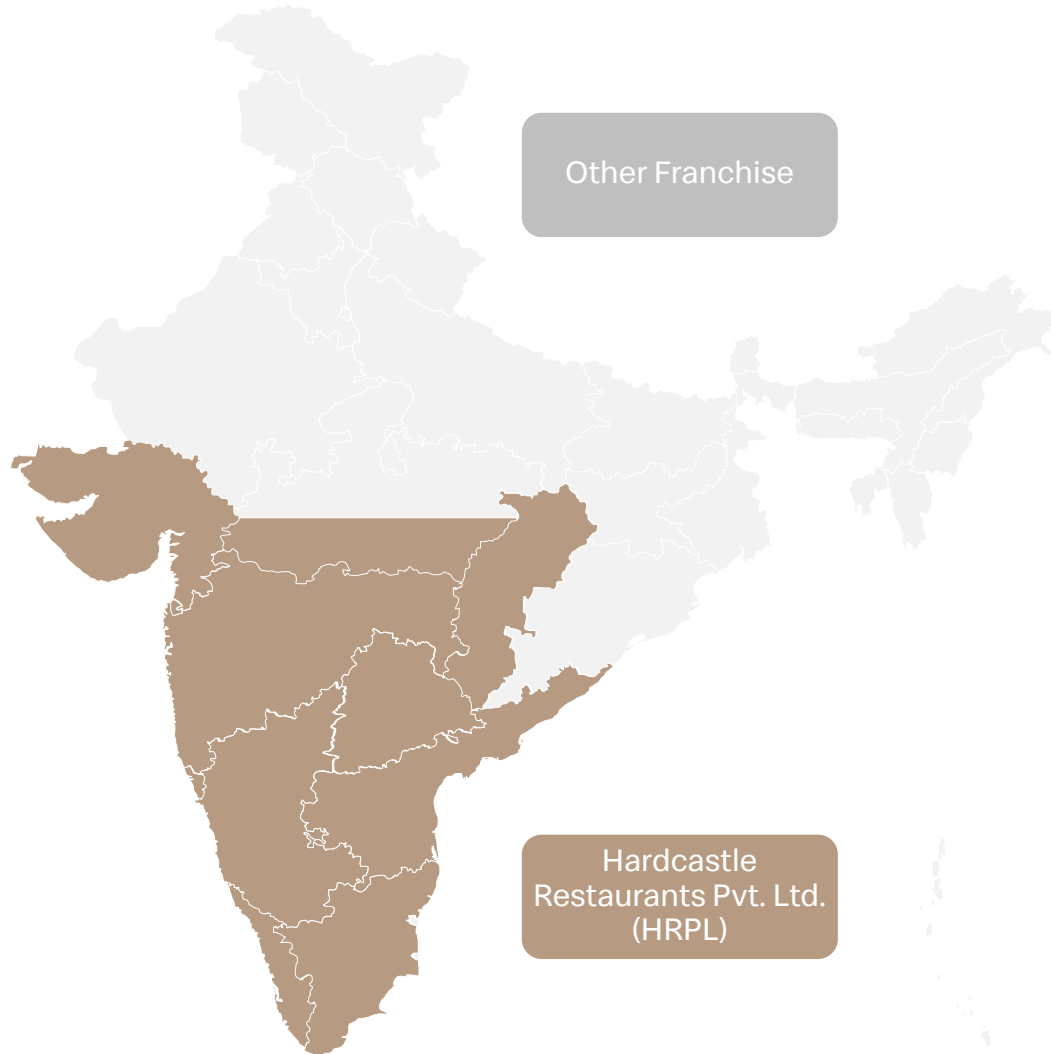


**Family**

# Journey & Key Milestones



# Geographical Presence



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



# Industry Trends & Market Opportunity



# Emerging trends and tailwinds



Favourable  
**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

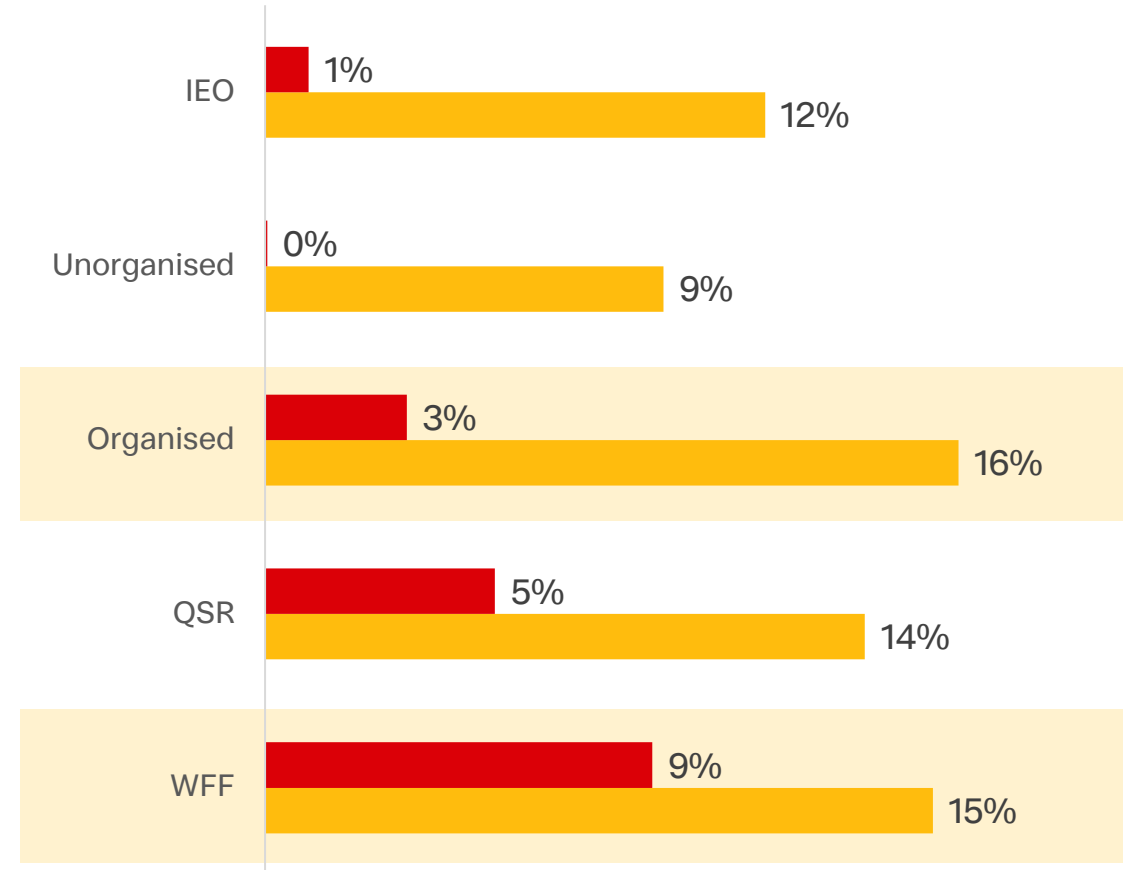
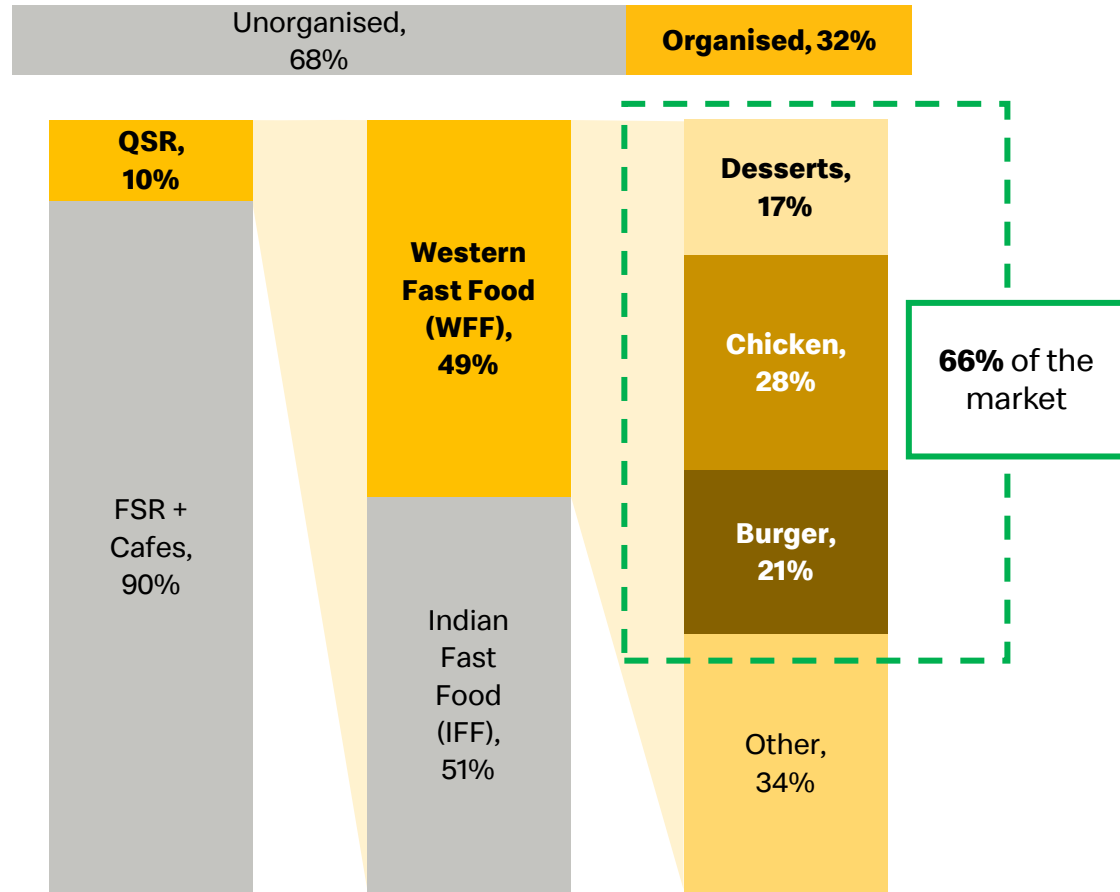
India bought **17 crores (170mn) smartphones** in 2021

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 ~3.2 tn market**



■ Last 5y CAGR   ■ Next 5y CAGR





# 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



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



Dedicated fleet of multi-temp and single temp trucks



**341 restaurants**  
across 52 cities \*

\*As of Dec'22

- 📍 **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**

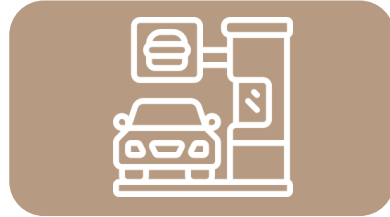
# Emerged stronger from COVID through focused initiatives



## 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



The background of the slide features a large, semi-circular graphic on the left side, colored in a golden-yellow hue. This graphic contains a stylized, semi-transparent image of a McDonald's restaurant interior, showing the iconic golden arches and signage for 'DESSERTS' and 'Take Away'. Overlaid on this graphic is the text 'Vision 2027' in a large, bold, white sans-serif font. To the right of the graphic, four numbered circles (01, 02, 03, 04) are arranged vertically, each containing a white number on a dark blue background. The rest of the slide is white with black text for the strategy descriptions.

# Vision 2027

01

## **Meals Strategy**

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

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02

## **Omnichannel Strategy**

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

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03

## **Faster than ever Network Expansion**

Penetrate unserved geographies and fortify existing markets with renewed aggression

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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**

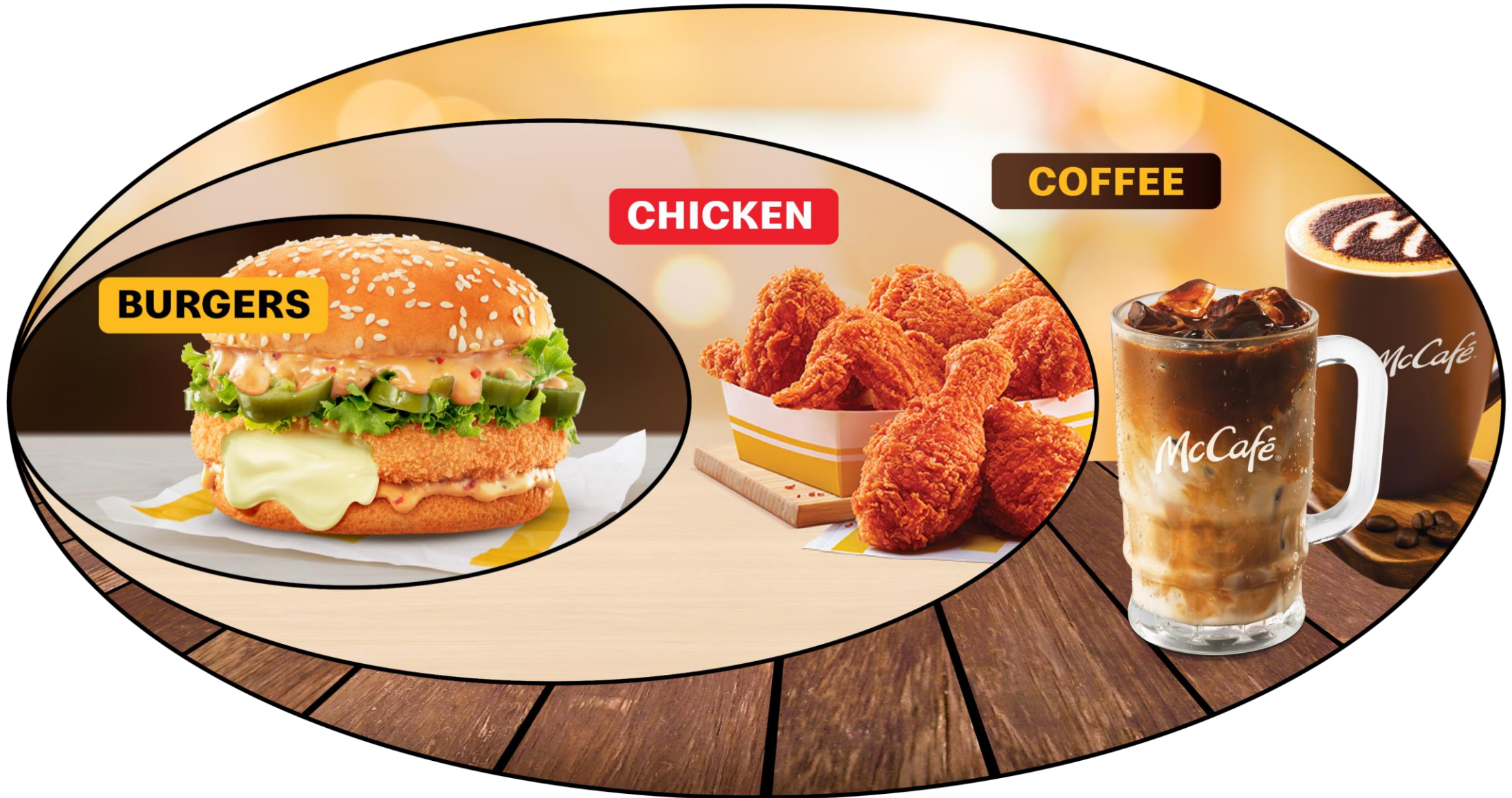
### Maximize our Marketing

**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**



**Big Spicy Chicken Wrap**



**Mid**  
Tier

**McSpicy Chicken**



**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



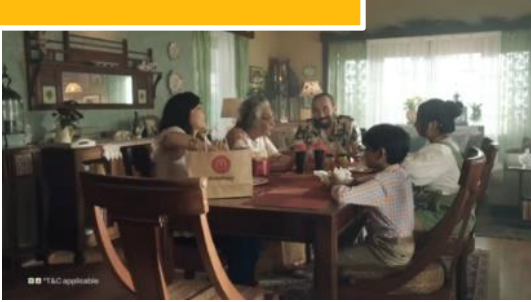
### Sweet treats

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

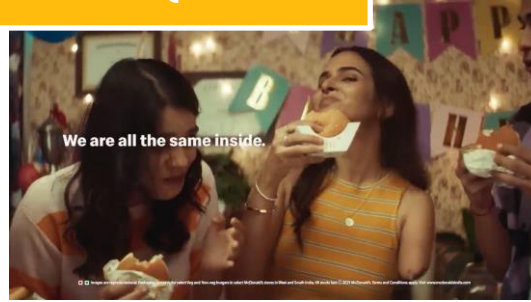


# Maximizing our Marketing through brand affinity and menu intervention campaigns

Meals Make Families



EatQual

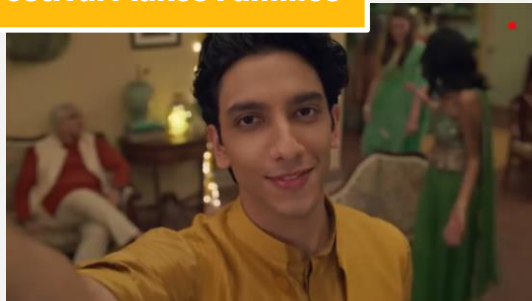


McCheese

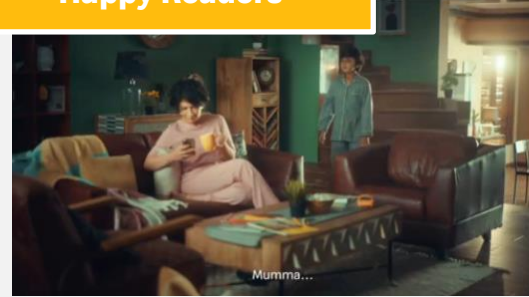


Real Food.  
Real Good.

Festival Makes Families



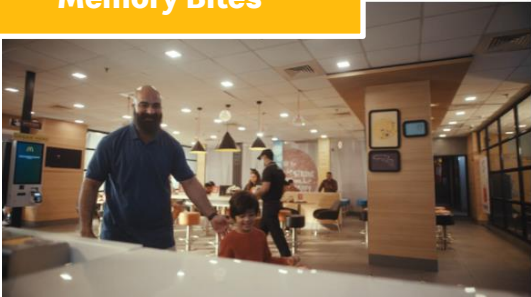
Happy Readers



Gourmet Burgers



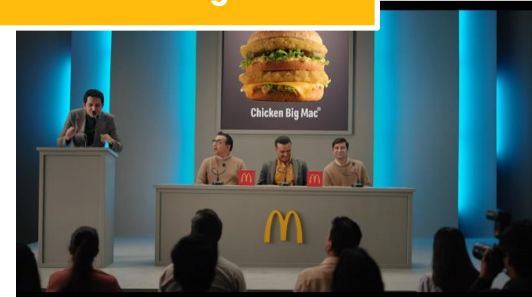
Memory Bites



McSpicy Fried Chicken



Chicken Big Mac



meals  
make  
families



# Robust **Omni Channel** model with unified experience



**~57%**

**Digital-led Sales\***

**+22 mn**

**Cumulative Apps Downloads**

**~2x**

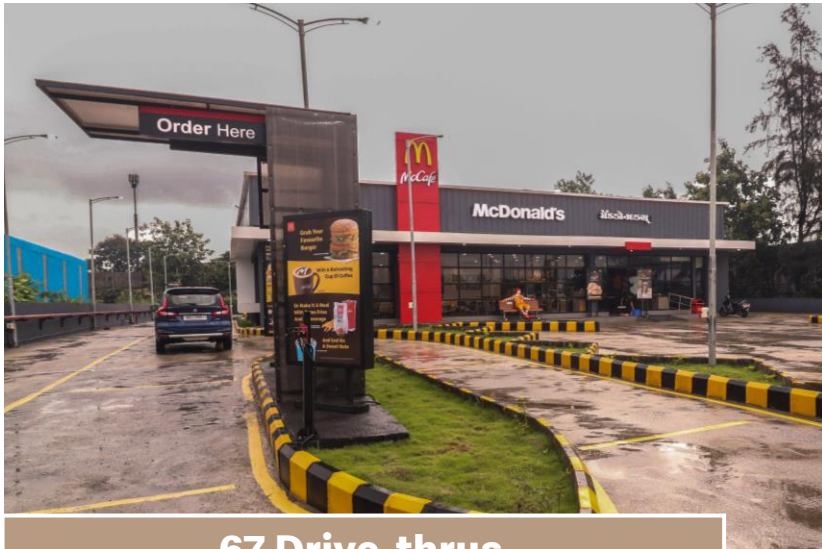
**YoY growth in Monthly Active Users (MAU)\***

Note: \*in Q3FY23

# Aggressive and prudent **Network Expansion**

Presence in **341 restaurants** across **52 cities** (as of December 2022)

## Drive-thrus



**67 Drive-thrus**  
(~20% of restaurants)

## McCafés



**288 McCafés**  
(+15 in Q3 FY23; ~84% of restaurants)

## EOTF\*



**205 EOTF stores**  
(+67 in Q3 FY23; ~70% of restaurants^)

- **Added 6 restaurants during Q3 FY23 and 6 in Jan'23;** Closed 2 restaurants.
- Broad basing the store growth across Metros, Tier 1 and Smaller towns
- On track to add 35-40 new restaurants in FY23. Targeting 580-630 restaurants by 2027.




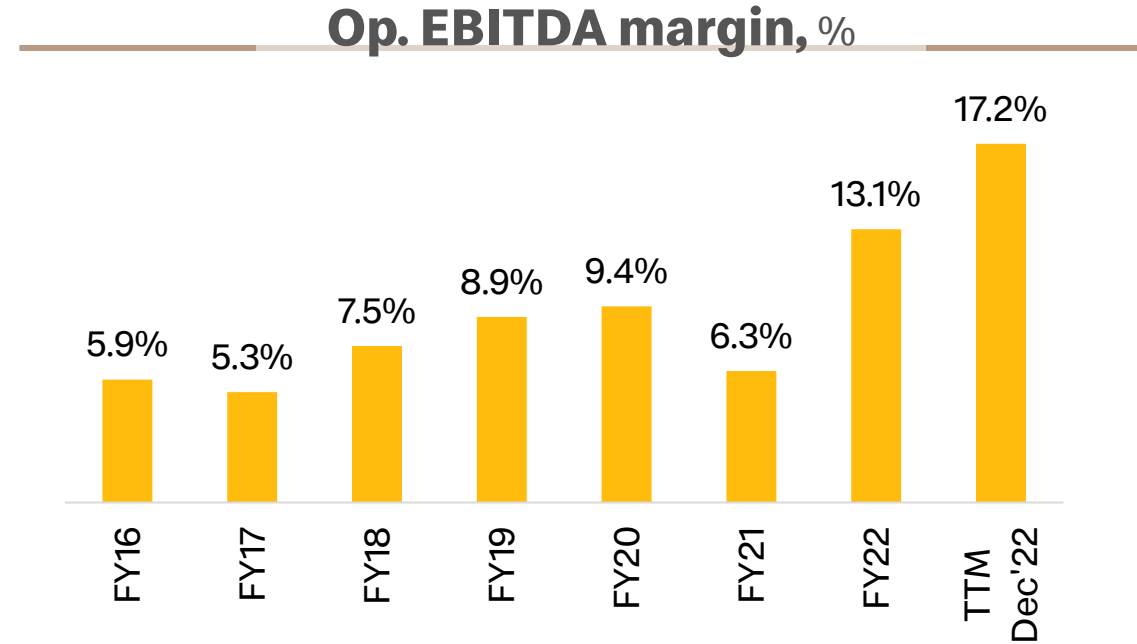
# Consistent improvement in profitability with healthy cash generation

**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**

**M**aximize our Marketing  
• Brand Trust  
• Affordability  
• Family

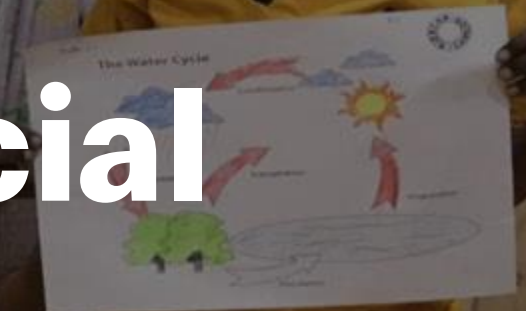
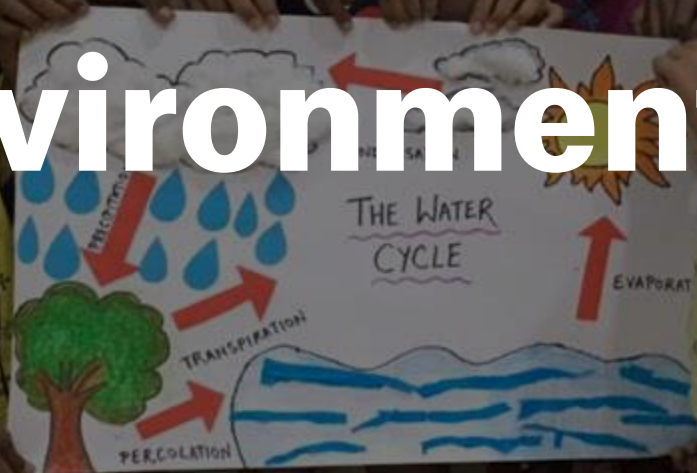
**C**ommit to the Core  
• Burger  
• Chicken  
• Coffee

**D**ouble 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



# Accelerating our ESG journey

## ENVIRONMENTAL

### Energy conservation and pollution prevention

EMS in 300+ restaurants, HVAC, Use of economizer, Use of LED bulbs, Evaporative coolers



**Electricity** – 83,26,020 units saved, 5827 tonnes of Co2 saved



**Diesel** - 1,38,000 units saved, 92 tonnes of Co2 saved



**Gas** - 2600 cylinders saved, 149 Co2 saved

### Travel and transportation

Bio-diesel program: Using Used Cooking Oil to produce 100% Bio-diesel



**6,40,000 liters** of biodiesel produced

### Water conservation

EMS in 300+ restaurants/ Waterless urinals; low flow Aerators, RO rejected water re-use, High water recovery RO system



**1,75,20,000 liters** of water saved

### Waste management

Elimination of single use plastic



**23,000 kilograms** of plastic recycled; eliminated all single use customer facing plastic from our restaurants

### Increase the use of renewable energy

Stores with solar roof top panel



**Electricity** – 1,70,000 units saved; Close to 7500 tonnes of CO2 saved

### Sustainable procurement

FSC certified paper used for packaging



Sourced only Forest Stewardship Council (FSC) **certified paper** for packaging



## SOCIAL

### Relationship with local communities

Store level CSR activities



**75,000 meals** distributed to communities most impacted by the COVID – led lockdown; **2,100 meals** distributed as a part of other store-level CSR activities

### Employee health and safety

Vaccination drive



**100% vaccination** among all eligible employees

### Inclusion

EatQual initiatives, Gender diversity, opportunities for differently abled



Improvement in **brand scores**

### Charitable giving and socially conscious investments

Ronald McDonald House Charities: a nonprofit family & children's charity dedicated to supporting families with sick children)



**36,500 lives** touched

### Employee welfare

Skills of For Life training, Equal opportunity employment, COSMOS Survey



**~10,000** employees trained

## NEXT PHASE

Defining Purpose



Gap assessment



ESG policy and framework



Long-term ESG goals



Leading sustainability ratings and score

## GOVERNANCE

Corporate Risk Management

Tax Strategy

Board structure and brand independence

Protecting shareholder interest

Regulatory Compliance

Timely Disclosures



# Building Trust and Permissibility

..by constantly improving our food



McAloo Tikki™ is a balanced meal



McVeggie™ has 25% more dietary fibres



Whole Wheat Buns with sesame lining



Up to 20% less sodium in our products



40% less oil in our mayo; Up to 11% less calories in our burgers



No artificial colour, preservatives or flavours in our patties



Soft serve is 100% milk 96% fat free



Most breakfast patties are grilled or steamed

..and understanding cultural sensitivity



Only country to have **SEPARATE** Vegetarian and Non Vegetarian Kitchen sections



# Serving Communities through various outreach programs



Tree Plantation



Food Drive



Garbage Collection

EatQual Initiative



Blood Donation



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.



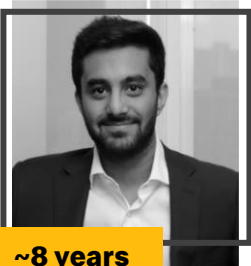


# **Governance & Financial highlights**



# 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.



~8 years

**AKSHAY JATIA**

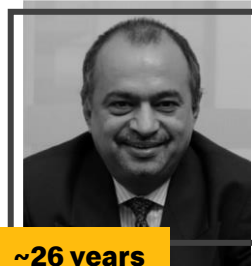
Executive Director



~20 years

**SAURABH KALRA**

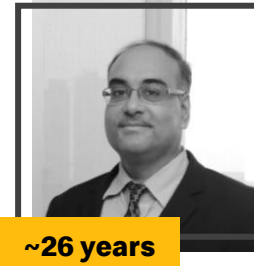
Chief Operating Officer



~26 years

**SANJAY SONI**

Sr. Vice President –  
Development & Real Estate



~26 years

**DR. SHATADRU SENGUPTA**

Chief Legal Officer &  
Company Secretary



**SAURABH BHUDOLIA**

Chief Financial Officer



~4 years

**ARVIND RP**

Chief Marketing Officer



~19 years

**SANKET SATOSE**

Sr. Director – Development  
& Real Estate



~26 years

**ADITYA KHARWA**

Sr. Director – National  
Operations



**ROHITH KUMAR**

Chief HR Officer



**SOHEL NALWALLA**

Director – Supply Chain & QS

# An effective board driving growth and governance



**Amit Jatia**  
Director



**Smita Jatia**  
Director



**Akshay Jatia**  
Executive Director



**Tarun Kataria**  
Independent Director

Board member of India Grid Investment Managers, Jubilant Pharma and Mapletree Logistics (Singapore). Held various senior positions at HSBC group, and Religare Capital Markets. Chartered Accountant and MBA from The Wharton School, University of Pennsylvania

Business & Management



**P. R. Barpande**  
Independent Director

30+ years of experience in the areas of accounts and audit. Ex audit partner at Deloitte Haskins & Sells. Involved in reformatting accounts to US GAAP / IFRS for large companies. Member Of Institute Of Chartered Accountants Of India.

Auditing & Compliance



**Manish Chokhani**  
Independent Director

Board member of Shoppers Stop, Auxilo Finserve, Laxmi Organic Ind. among others. Ex.CEO of Enam Securities (now Axis Capital). Served as a member of SEBI's AIPA Committee in past . CA and MBA from the London Business School

Business & Capital Markets



**Amisha Jain**  
Independent Director

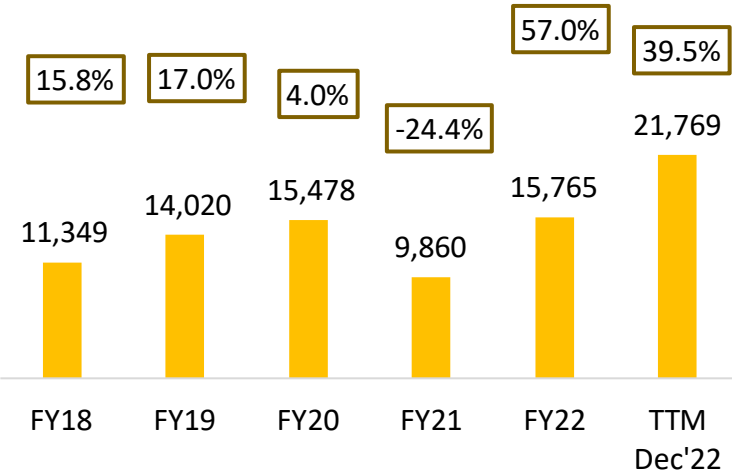
Senior VP and MD of South Asia-Middle East and Africa (SAMEA) at Levi Strauss & Co. Ex-Ceo of Zivame. Alumna of INSEAD and McKinsey. She has 19+ years of experience in technology, consumer, and retail sectors

Consumer & Technology

# Financial Highlights

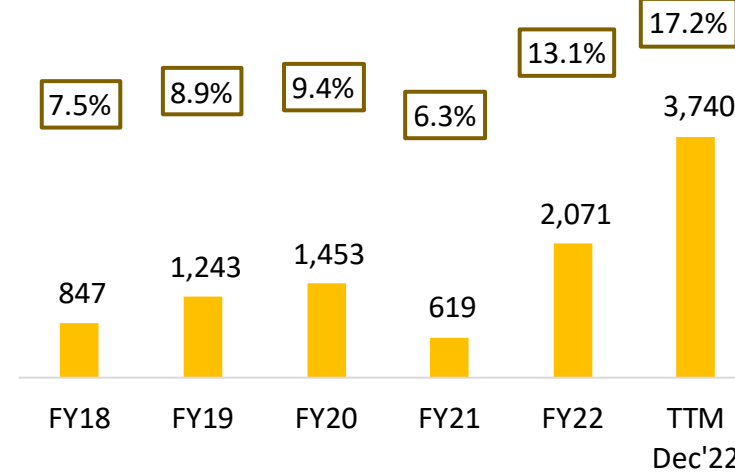
## Revenue (INR mn)

SSSG %



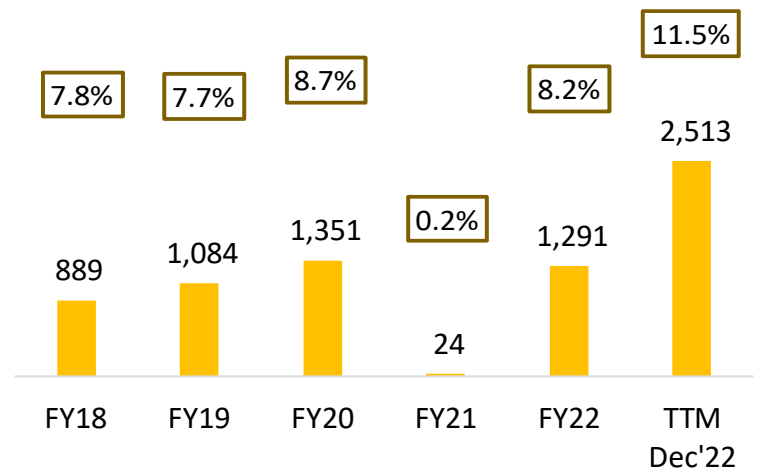
## EBITDA (INR mn)

EBITDA margin



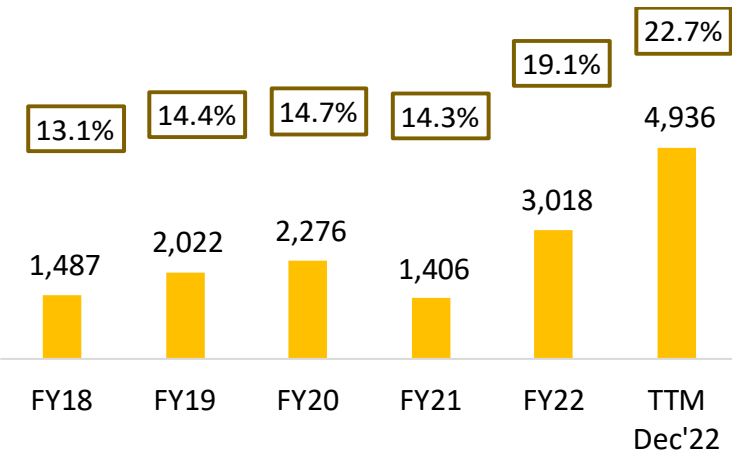
## Cash PAT (INR mn)

Cash PAT margin

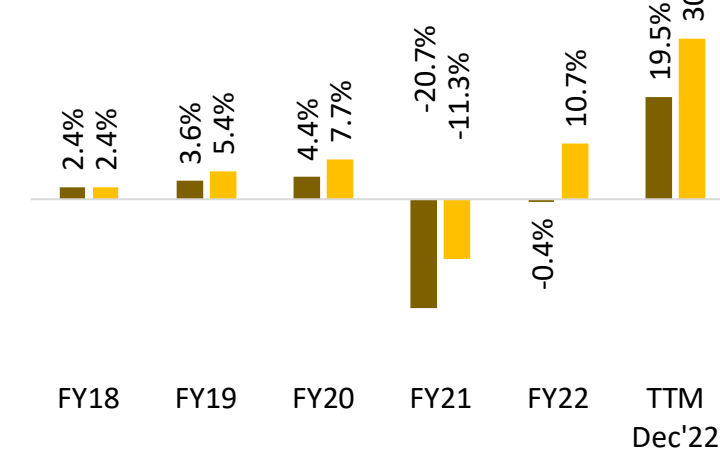


## Restaurant Op. Margin (INR mn)

ROM



## ROE ROCE



## Net Debt to Equity



# Key highlights: Q3 FY23



- **Sales at Rs. 6.1 bn hits a new high**, up **28% YoY**; **SSSG** was **20% YoY**
- **Average Sales Per Store** in trailing twelve months stood at **Rs. 64.7 mn** (vs Rs 47.7 mn LY)
- **On Premise** business grew **42% YoY**, **Off Premise** business grew **12% YoY**

- **ROM<sup>2</sup>** at **Rs. 1,457 mn** grew **35% YoY**; **ROM (%)** was **23.8%**
- **Op. EBITDA** at **Rs. 1,103 mn** grew **32% YoY**; **Op. EBITDA margin** was **18.0%**
- **Cash PAT** at **Rs. 753 mn** grew **21% YoY**; **Cash PAT margin** was **12.3%**



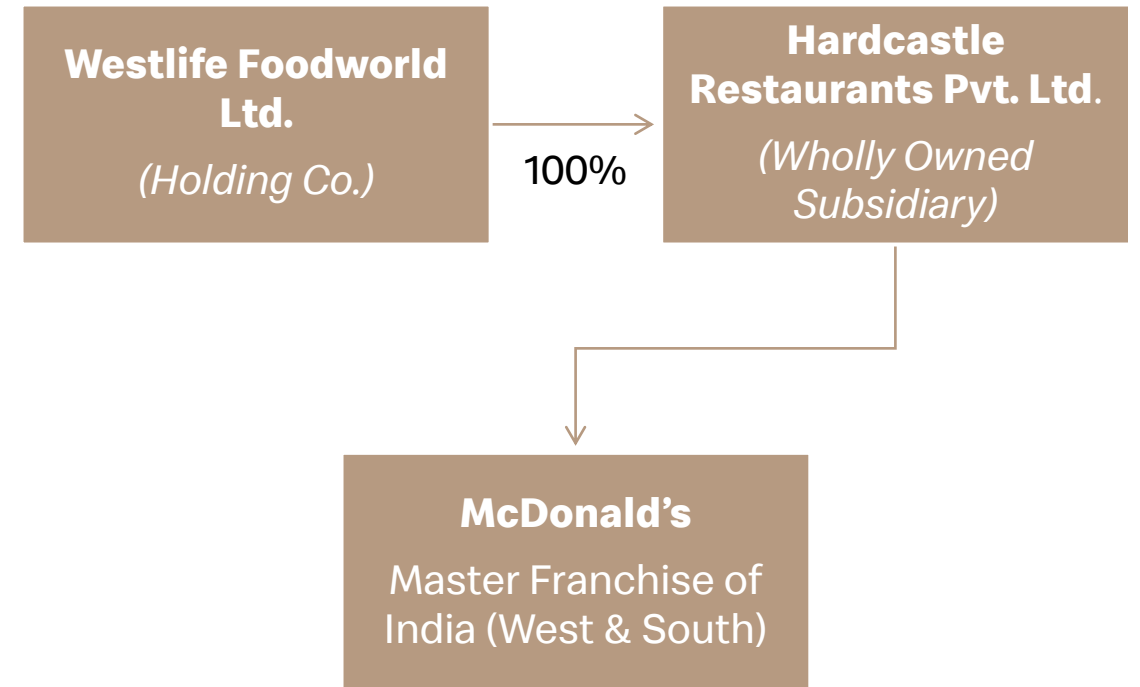
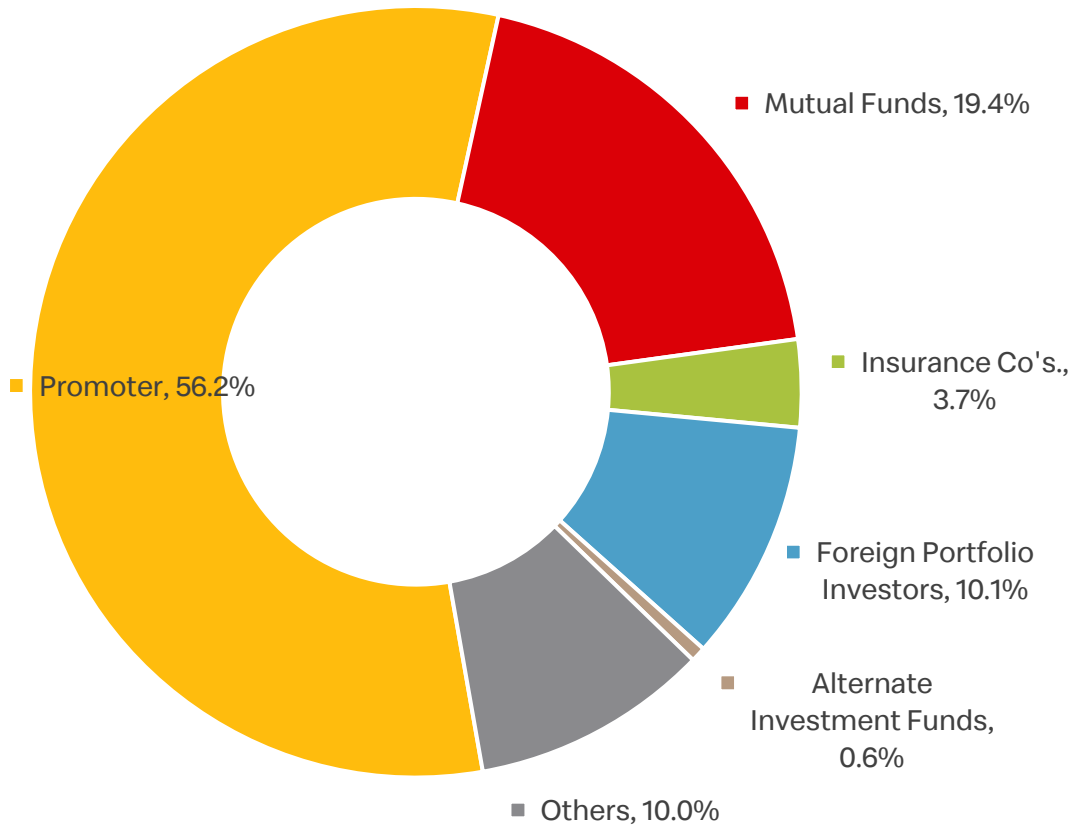
- **341 restaurants** as of Dec'22. Opened **6 new restaurants in Q3** and closed 2
- Added **6 new restaurants in Jan'23** and on track to open **35-40 new restaurants in FY23**
- Targeting **580 – 630 restaurants by 2027**

- **60+ restaurants** transitioned to **Experience Of The Future (EOTF)** format in Q3
- **~57%** of overall business through **digital channels**; +22 mn cumulative Apps downloads
- **2x YoY** rise in **Monthly Active Users**; Best ever scores in **delivery operating KPIs**



- **Rs. +64 mn of TTM Avg. Sales Per Store** and **17.5% Op. EBITDA margin** in 9M led by Meals and Omni channel strategy
- **Augmenting scale & accessibility through broad based growth across channels**

# Shareholding Pattern & Group Structure

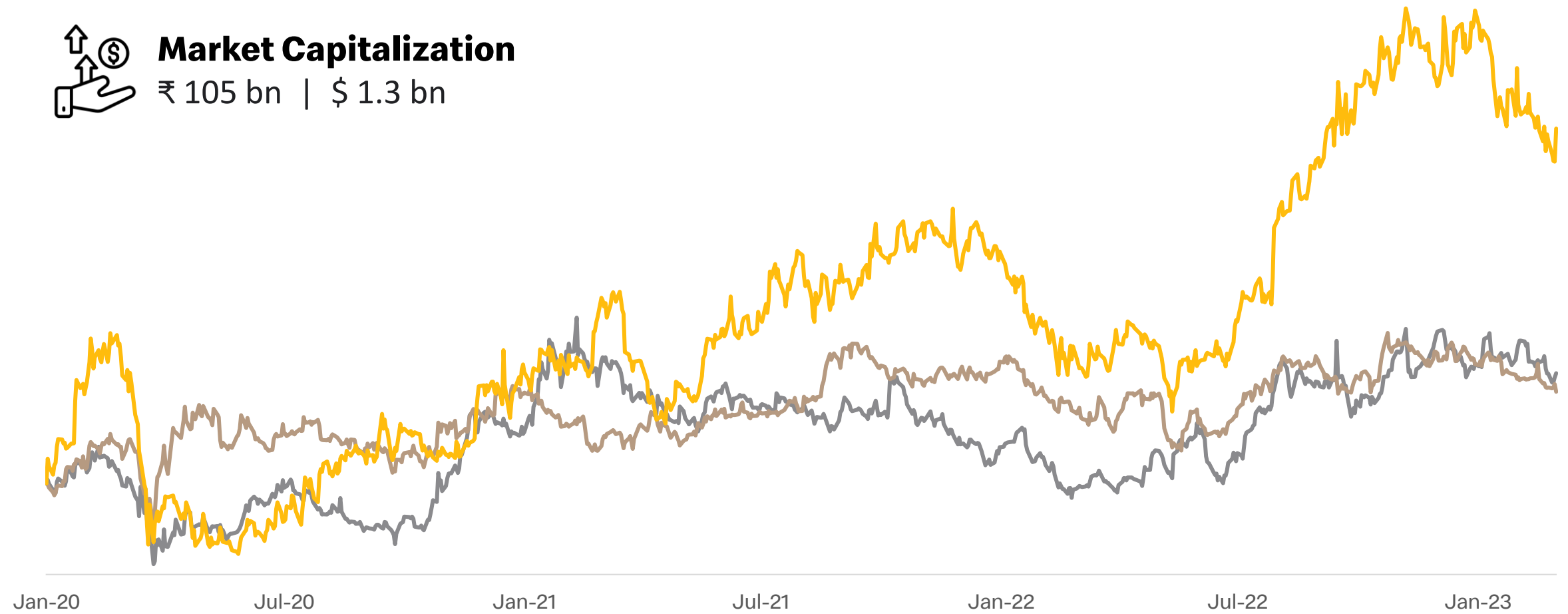


# Shareholder Value Creation



## Market Capitalization

₹ 105 bn | \$ 1.3 bn

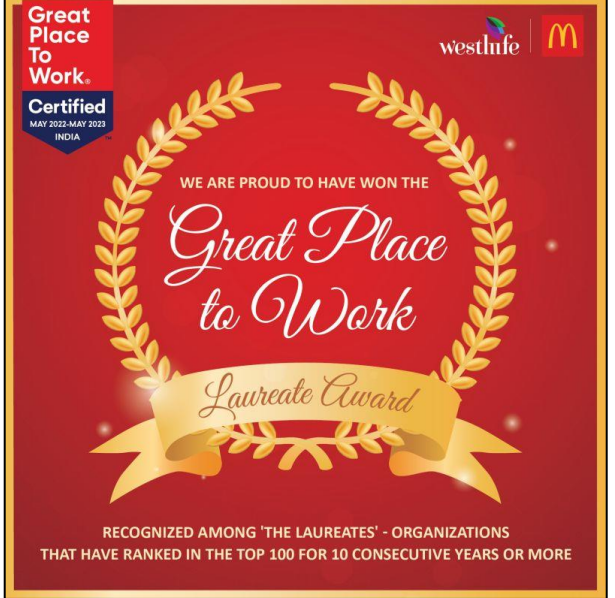


— BSE500 — SENSEX — Westlife Foodworld Ltd

Note: Assuming USD INR = 78 . Chart as on 02 March 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 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.

Building a

**Bigger | Better | Bolder**

**McDonald's Together**





**Thank you**

**IR Contact**

For additional information:

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