



Westlife Foodworld delivers a record FY 23; reports highest ever Q4 sales, with 14% same store sales growth

Highlights for the Financial Year 2023

- Highest ever sales at Rs. 22.7 bn, grew by 44% YoY; Strong double-digit Same Store Sales Growth (SSSG) at 36% YoY
- Op. EBITDA at Rs. 3.9 bn, grew by 90% YoY; Op. EBITDA margin was 17.3% (vs 13.1% in FY22)
- Cash PAT at Rs. 2.5 bn, grew 97% YoY; Cash PAT margin was 11.2% (vs 8.2% in FY22)

Highlights of Quarter ended March 31, 2023

- Highest ever Q4 sales at Rs. 5.56 bn grew by 22% YoY, strong double-digit SSSG of 14% YoY
- Digital sales improved to ~62% led by Self Operating Kiosks (SOK); launched the new McDelivery App
- Op. EBITDA at Rs. 919 mn grew 26% YoY; Op. EBITDA margin was 16.5% (vs 16.0% in Q4 FY22)

Mumbai – May 09, 2023: Westlife Foodworld Limited ("WFL"), formerly known as Westlife Development (BSE: 505533) ("WDL"), owner and operator of McDonald's restaurants in West and South India, has announced a record full-year performance 2023 with highest ever sales of Rs. 22.7 bn up by 44% YoY, driven by industry-leading Same Store Sales Growth (SSSG) at 36% YoY. The company recorded a Cash PAT of Rs. 2.5 billion up by 97% YoY.

In the quarter under review, the company reported an all-time high Q4 sales of Rs. 5.56 bn, up 22% YoY with a strong double-digit SSSG (same-store sales growth) of 14% YoY. This was driven by a double-digit growth in dine-in customers, enabling the on-premise business to grow by 38% YoY. The company's own delivery channel, the McDelivery platform, saw a robust rise in user base, as digital sales improved to ~62%, led by SOKs (Self-Ordering Kiosks).

This strong topline resulted in a 34% YoY increase in the company's Restaurant Operating Margin, which now stands at ₹1,364 million. Withstanding the challenges of inflationary pressures and macroeconomic headwinds, the company's Operating EBITDA jumped to Rs 919 mn, growing by 26% YoY. The company recorded a Cash PAT of Rs. 567 million in the quarter. Westlife's average sales per store (TTM) stood at Rs. 66.2 mn, up from Rs. 49.8 mn in FY 22.



Commenting on the results for FY 23, Mr. Amit Jatia, Vice-Chairman, Westlife Foodworld Limited, said, “FY 23 was a landmark year for Westlife Foodworld. Our strong performance, delivered by our omnichannel strategy, menu innovations, store modernization, and cost optimization strategies, is a testament to our scale and agility. We were not only able to strengthen our value proposition but were also able to capitalize on our momentum to promote long-term sustainable growth for all our stakeholders. I believe we are on a strong growth trajectory and will continue to build on our competitive strengths and further our business advantage”.

Westlife opened 18 new restaurants in the fourth quarter of FY23. The company is on a fast track to add 40-45 new restaurants in FY24 and 580-630 new restaurants by 2027.

Strengthening its Big Burger-led menu innovations, the brand launched the iconic Chicken Big Mac and Cheesy Nuggets. To promote the Chicken Big Mac, Virendra Sehwal was roped in as the face of the brand campaign. To further reinforce its commitment towards fostering a culture of gender equality and diversity, this International Women’s Day, the company launched a distinctive multi-nation campaign recognizing the significant contribution that women have made to its workforce.

As of March 2023, Westlife had 357 restaurants in 56 cities, including 68 Drive-Thrus, 311 McCafés, and 220 Experience of the Future (EOTF) restaurants.



Particulars (INR Mn, Post INDAS 116)	Q4FY23	%	Q4FY22	%	Q3FY23	%
Sales	5,563.7	100.0%	4,550.8	100.0%	6,114.6	100.0%
<i>YoY Sales Growth %</i>	22.3%		27.3%		28.2%	
Food & paper	1,561.9	28.1%	1,446.6	31.8%	1,824.2	29.8%
Gross Profit	4,001.8	71.9%	3,104.2	68.2%	4,290.3	70.2%
Payroll & Benefits	554.0	10.0%	413.9	9.1%	546.7	8.9%
Royalty	250.3	4.5%	202.6	4.5%	280.4	4.6%
Other Operating Expenses	1,833.0	32.9%	1,471.7	32.3%	2,006.2	32.8%
Restaurant Operating Margin (ROM)	1,364.5	24.5%	1,016.0	22.3%	1,457.0	23.8%
General & Admin Expense	445.5	8.0%	287.5	6.3%	354.1	5.8%
Op. EBITDA	919.1	16.5%	728.5	16.0%	1,102.9	18.0%
<i>YoY EBITDA Growth %</i>	26.2%		46.0%		32.2%	
Depreciation	411.2	7.4%	346.3	7.6%	385.6	6.3%
Other (Income) / Expense, net	(49.2)	-0.9%	(39.8)	-0.9%	(36.4)	-0.6%
Financial Expense (Net)	253.3	4.6%	208.6	4.6%	233.7	3.8%
Extraordinary Expenses*	26.5	0.5%	8.0	0.2%	40.0	0.7%
PBT	277.3	5.0%	205.4	4.5%	480.0	7.8%
Tax	76.3	1.4%	52.2	1.1%	116.4	1.9%
PAT	201.0	3.6%	153.2	3.4%	363.5	5.9%
PAT (pre-IND AS 116)	250.9	4.5%	250.5	5.5%	423.4	6.9%
Cash Profit After Tax	567.4	10.2%	528.8	11.6%	753.1	12.3%
SSSG (%)	14%		23%		20%	
New stores opening	18		12		6	



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About Westlife:

Westlife Foodworld Limited (BSE: 505533) (WFL), formerly known as Westlife Development Ltd (WDL), focuses on setting up and operating Quick Service Restaurants (QSR) in India through its subsidiary Hardcastle Restaurants Pvt. Ltd. (HRPL). The Company operates a chain of McDonald's restaurants in West and South India, having a master franchisee relationship with McDonald's Corporation USA, through the latter's Indian subsidiary.

About Hardcastle Restaurants:

HRPL is a McDonald's franchisee with rights to own and operate McDonald's restaurants in India's West and South markets. HRPL has been a franchisee in the region since its inception in 1996.

HRPL serves over 200 million customers, annually, at its 341 (as of December 31, 2022) McDonald's restaurants across 52 cities in the states of Telangana, Gujarat, Karnataka, Maharashtra, Tamil Nadu, Kerala, Chhattisgarh, Andhra Pradesh, Goa and parts of Madhya Pradesh and Union Territory of Puducherry and provides direct employment to over 10,000 employees. McDonald's operates through various formats and brand extensions including standalone restaurants, drive-thrus, 24/7, McDelivery, McBreakfast and dessert kiosks. The menu features Burgers, Finger Foods, Wraps, and Hot and Cold Beverages besides a wide range of desserts. Several of the McDonald's restaurants feature an in-house McCafé.

The pillars of the McDonald's system – Quality, Service, Cleanliness and Value – are evident at each of the restaurants that HRPL operates.

Disclaimer:

This document by Westlife Foodworld Ltd ('the Company') 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," "expected", "outlook", "future" or the negative of these terms or other similar expressions or phrases or their variations. 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 Company's business prospects, 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 the Company'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, the Company's business and operations involve numerous risks and uncertainties, many of which are beyond the control of the Company, which could result in the Company's expectations not being realized or otherwise materially affect the financial condition, results of operations and cash flows of the Company. The forward-looking statements are made only as of the date hereof, and the Company 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.