



Devyani International Limited

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November 01, 2021

CIN No. : L15135DL1991PLC046758

To,

National Stock Exchange of India Ltd. Exchange Plaza, Block G, C/1, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Email: cmist@nse.co.in Symbol: DEVYANI	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Email: corp.relations@bseindia.com Security Code: 543330
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Sub: Regulation 30: Presentation on Unaudited Financial Results of the Company for the Quarter and Half Year ended September 30, 2021

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith a copy of the Presentation on Unaudited Financial Results of the Company for the Quarter and Half Year ended September 30, 2021.

The same is also being uploaded on website of the Company at www.dil-rjcorp.com.

You are requested to take the above on record.

Yours faithfully,
For Devyani International Limited

Jatin Mahajan
Company Secretary & Compliance Officer



Encl: As above



DEVYANI

INTERNATIONAL LIMITED



Quarterly Results Presentation

Q2 FY-2022



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The data and opinion expressed herein with respect to the Company is based on a number of assumptions, and is subject to a number of known and unknown risks, which may cause the Company’s actual results or performance to differ materially from any projected future results or performance expressed or implied by such statements. Further, certain figures (including amounts, percentages and numbers), as applicable, have been rounded-off to the nearest number and may not depict the exact number.

We use a variety of financial and operational performance indicators to measure and analyze our financial performance and financial condition from period to period and to manage our business. Further, financial or performance indicators used here, have limitations as analytical tools, and should not be considered in isolation from, or as a substitute for, analysis of our historical financial performance, as reported and presented in our financial statements. Further, past performance is not necessarily indicative of future results.

This presentation has been prepared by the Company. This document is a summary only and does not purport to contain all of the information that may be required to evaluate any potential transaction and any recipient hereof should conduct its own independent analysis of the Company and their businesses, including the consulting of independent legal, business, tax and financial advisers. The information in this presentation has not been independently verified and has not been and will not be reviewed or approved by any statutory or regulatory authority or stock exchange in India. No representation, warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information and opinions in this presentation. Further, nothing in this document should be construed as constituting legal, business, tax or financial advice.



Commenting on the performance for Q2 & H1 2022 Mr. Ravi Jaipuria, Chairman, Devyani International Limited said,

"We are pleased to report our first financial results post our successful listing in August 2021. Our IPO witnessed a strong reception from the investor community and has brought on board marquee investors. We welcome all our shareholders and look forward to your support in our journey forward.

The foodservice industry is expected to grow at a CAGR of 12% to 15% in future. QSRs being the largest constituent of this segment will be a key beneficiary and will lead this growth. DIL with its multiple strong and well recognized western and Indian QSR brands stand to gain the most as we continue to expand our footprint in India.

India is a large consumption market and QSR is still significantly under penetrated in the Country – even compared with our South East Asian peers. At Devyani, our focus remains on constantly improving the quality and safety of our operations, enriching customer experience, efficient delivery & strategically expanding our store network in India. As on September 30, 2021, we operated 309 KFC stores, 351 Pizza Hut stores and 45 Costa Coffee stores in India. Our total system store count across all our operations stands at 803.

Despite the pandemic, we have continued with our growth strategy to steadily expand presence across new cities while simultaneously broadening our foothold in existing markets. We have opened 111 net new stores across core brands in the 6 months ended September 30, 2021 with 68 net new stores getting added in Q2 FY22. Our long-term focus is on consolidating our presence in key metro cities while tapping into smaller towns, enabling us to take our brands closer to our customers.

We have seen a great recovery on the demand side as the Covid-19 restrictions ease and the vaccination coverage improves. Leveraging this demand momentum across our markets, we expect to deliver a strong operational and financial performance. We are also cognizant of input cost inflation across various industries including QSR on both capex and opex side. We have built in multiple levers in our business to mitigate the impact of input inflation and we hope to deliver consistent results for all of you."

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5 Company Background



- Successful completion of Initial Public offering & Listing in August 2021
- PAT positive for the quarter.
- **111** net new stores in H1 FY-2022; Total count at **803**.
- Strong business recovery post Covid 2nd wave.
 - Robust recovery in KFC in Aug-Sep'21.
 - Encouraging PH performance post brand-restructuring.
- Negative Working Capital; Store expansion to be internally funded.
- Net Debt Free (External basis).
- Revised Development Agreement signed with Costa-Coffee.

Q2 FY22 Financial Highlights (Y-o-Y)

Revenue from operations - 124% growth to Rs. 5,161 million

- All round encouraging performance on Core Brands.
 - India - KFC revenues up 141%, Pizza Hut up 111%.
 - Healthy growth in International business. Revenue growth - 90% to Rs. 500 million.
 - Robust SSSG; KFC @72% and Pizza Hut @76%

Consolidated EBITDA increased by 225% to Rs. 1,233 million from Rs. 380 million

- Brand contribution increased by 346% to Rs. 1,067 million, with margins at 20.6%
- Healthy EBITDA margins at 23.9%

PAT at Rs. 466 million

- Healthy growth in revenue from operations, new stores additions and sustainable cost optimizations enabled the Company to turn profitable during the quarter.

New Store Additions – Great Momentum

	NET NEW UNITS (NNU)			Stores as at 31 Mar 21	Stores as at 30 Sept 21
Brand	Q1 FY22	Q2 FY22	LTM		
KFC	20	25	95	264	309
PH	20	34	93	297	351
Costa	-	1	(10)	44	45
Others	1	3	(9)	50	54
Total India	41	63	169	655	759
Nigeria	1	2	4	24	27
Nepal	1	3	5	13	17
G. Total	43	68	178	692	803

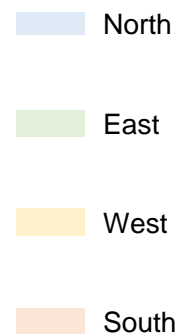
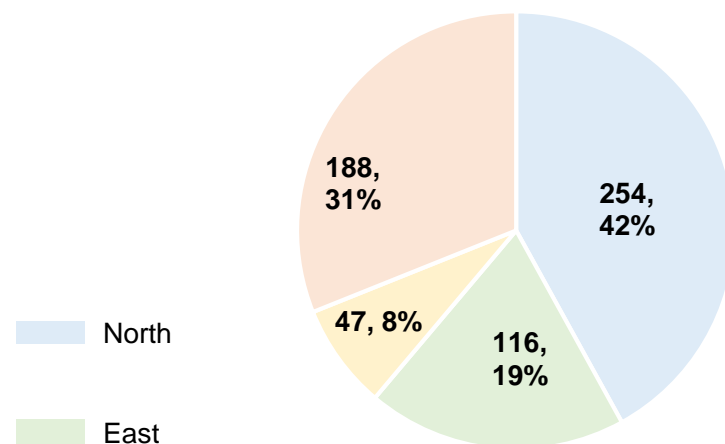
Note:

1. NNU = Gross additions (including acquired stores) less Closures.
2. LTM = Last Twelve (12) Months.
3. Others = Vaango, Food Court, etc.

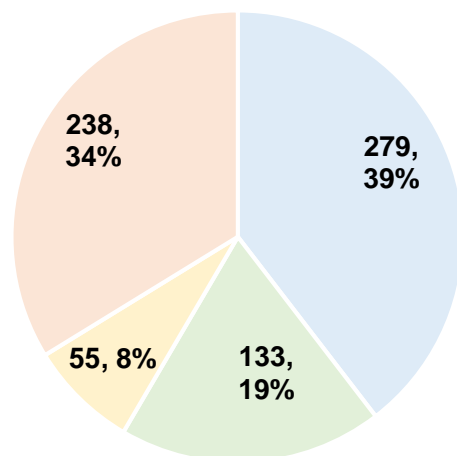
Store Expansion – Cluster Focus

Core Brands Stores; India – Regional split

As on March 31, 2021

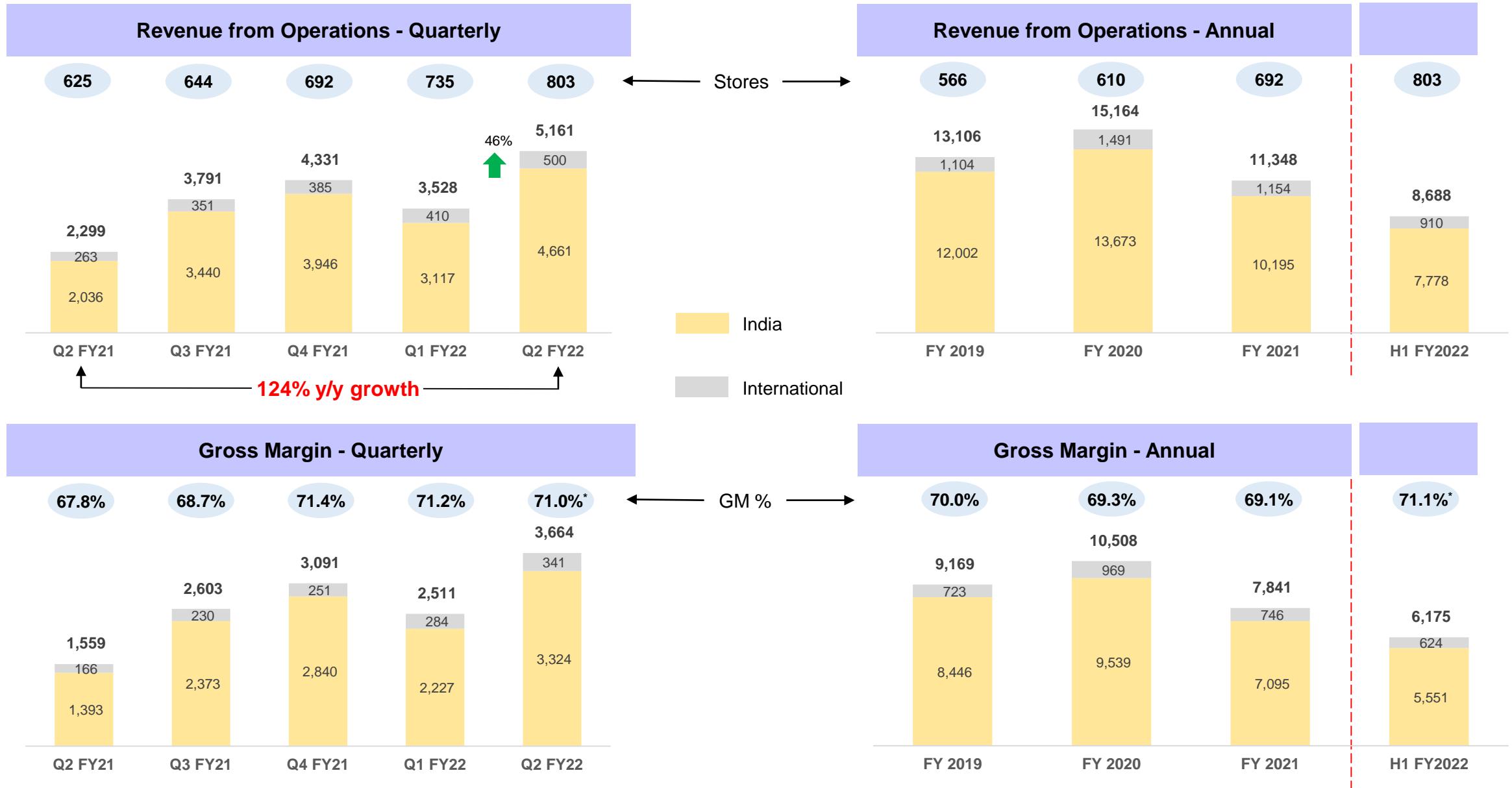


As on Sept. 30, 2021



Core Brands Stores	March 31, 2021	Sept. 30, 2021
NCR	135	141
Bengaluru	80	91
Kolkata	42	48
Hyderabad	32	43
Other Metro cities	15	17
Total Metros	304	340
% of Total Core Brand Stores	50%	48%
Cities in Metro Cluster	9	9
Other Cities	146	168
Total Cities	155	177

Business Performance – DIL Consolidated

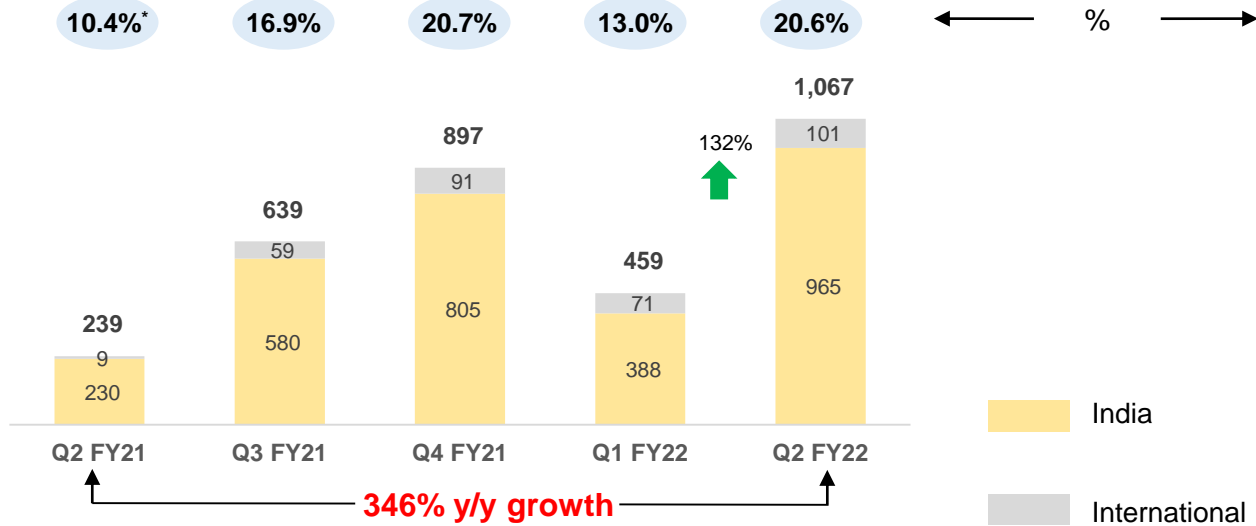


*Gross Margin = Revenues from Operations less Cost of Goods Sold

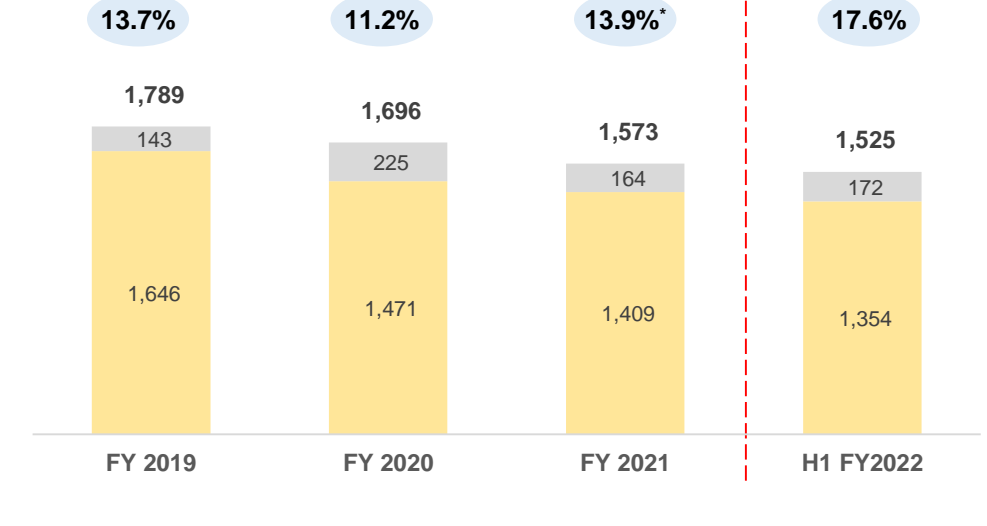
Financial Performance – DIL Consolidated



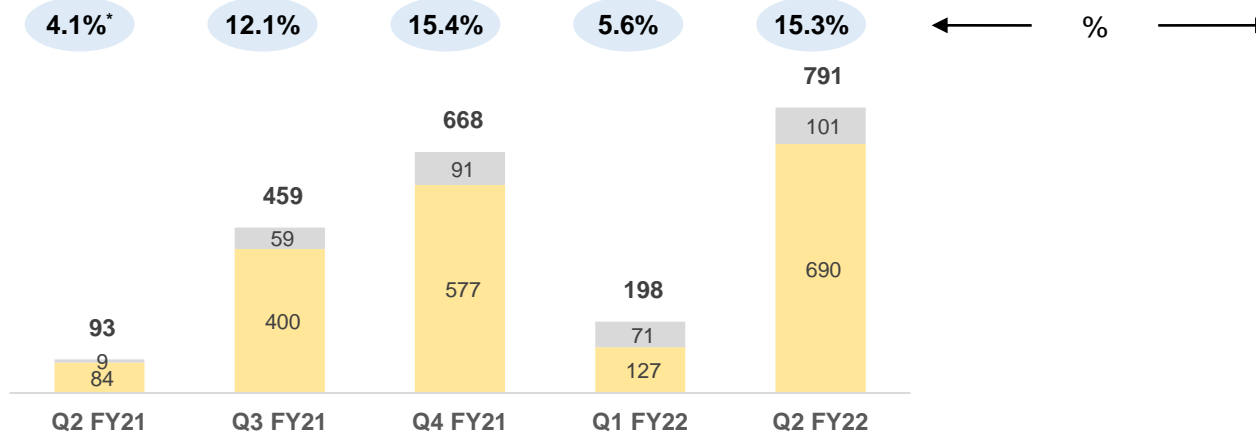
Brand Contribution - Quarterly



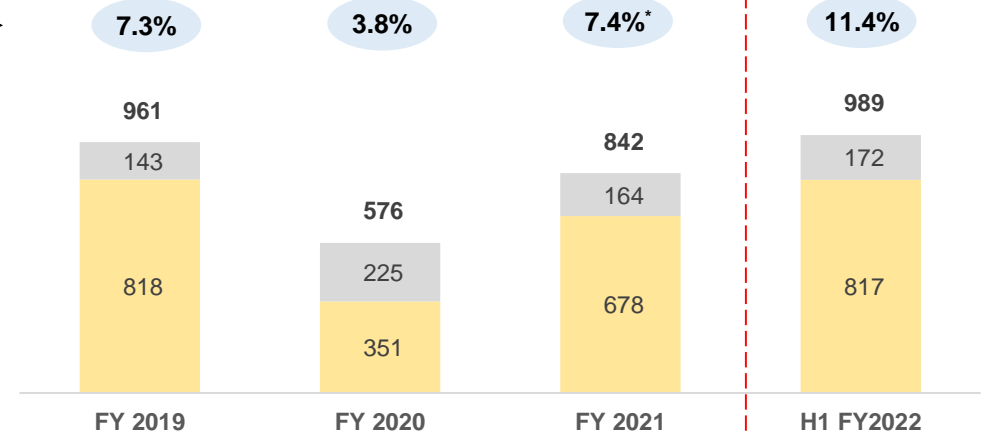
Brand Contribution - Annual



EBITDA (Pre-IndAS) - Quarterly



EBITDA (Pre-IndAS) - Annual

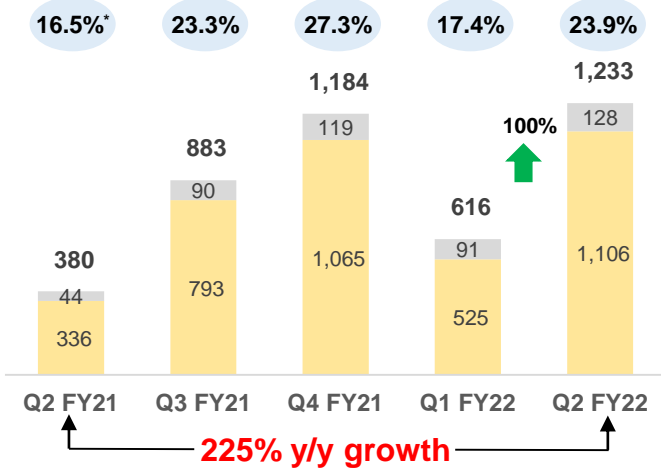


*Includes FX impact for International Business

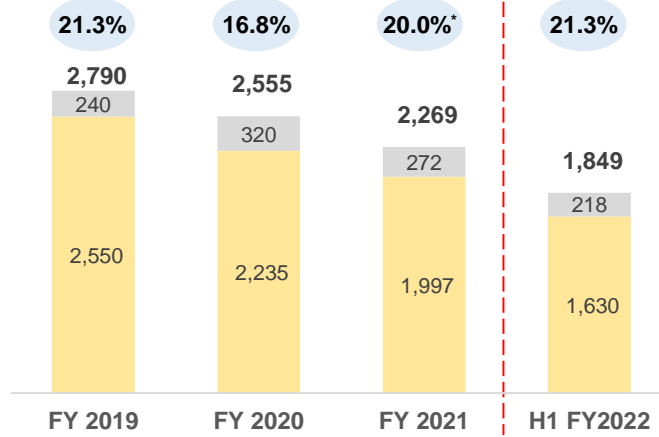
Profitability – DIL Consolidated



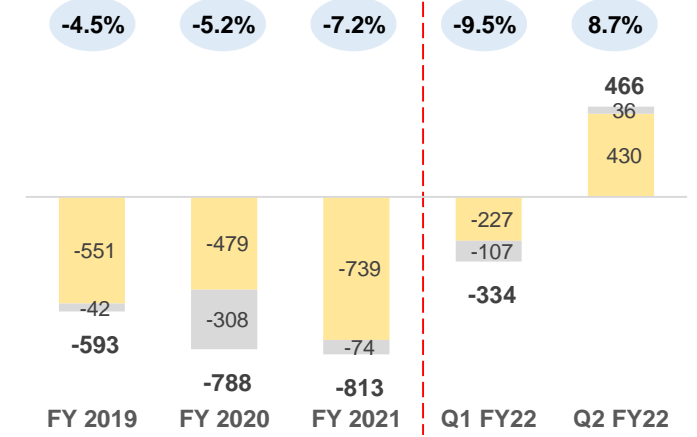
EBITDA - Quarterly



EBITDA - Annual



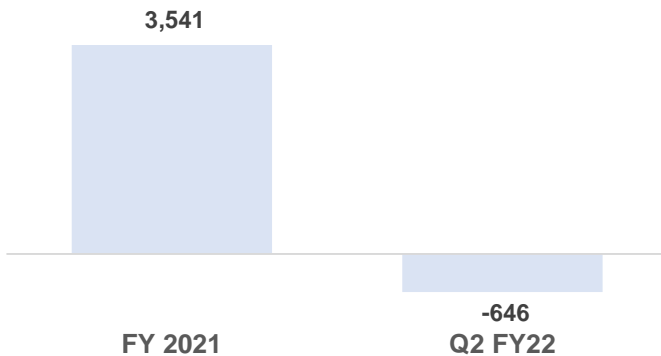
PAT*



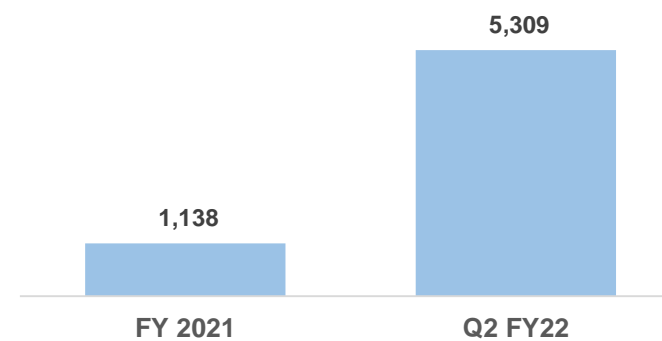
*Includes FX impact for International Business

*For continuing operations only

Net Debt**



Net Worth

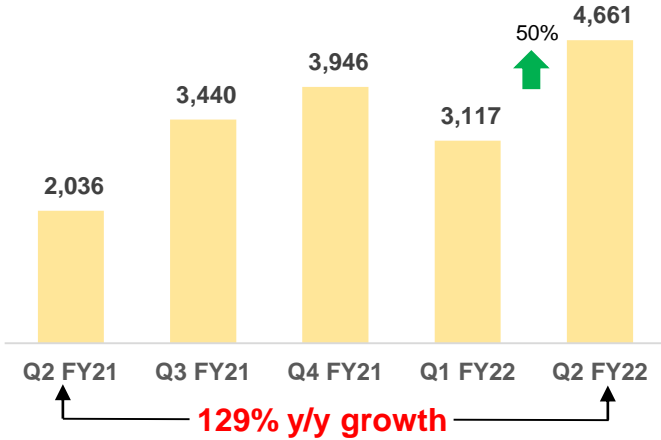


**Net Debt excludes Promoter Debt

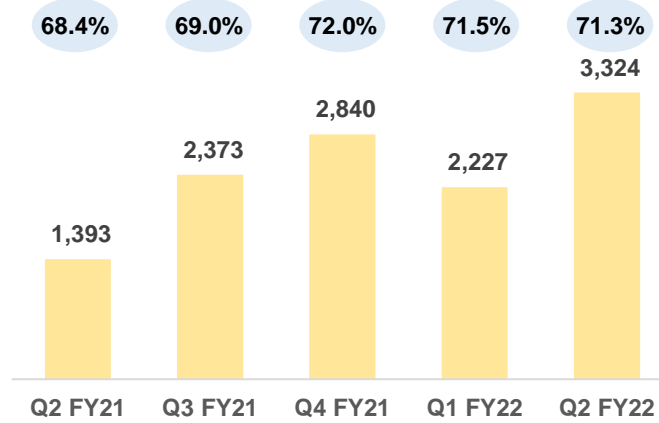
Performance Trend – DIL India



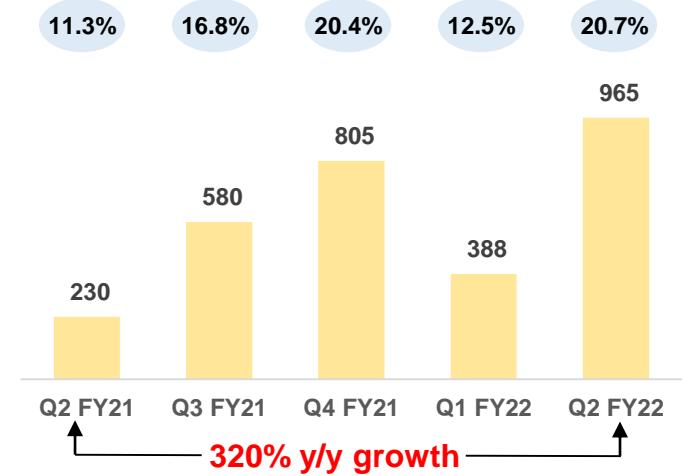
Revenue from Operations



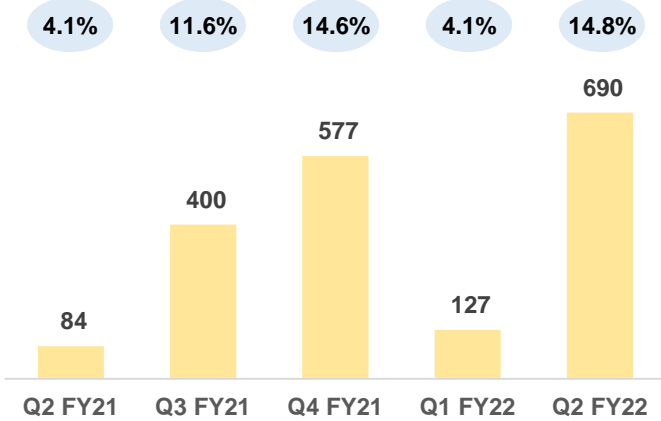
Gross Profit



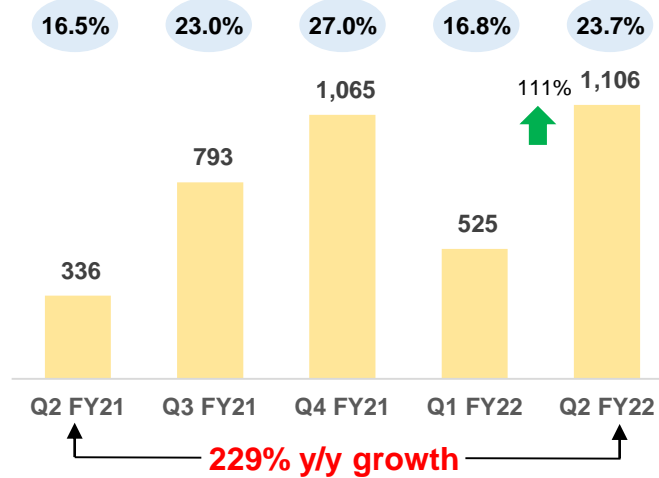
Brand Contribution



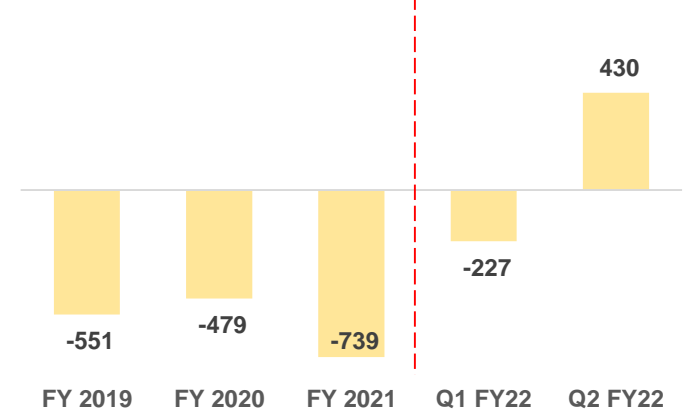
EBITDA (Pre-IndAS 116)



EBITDA



PAT





Core Brands – KFC

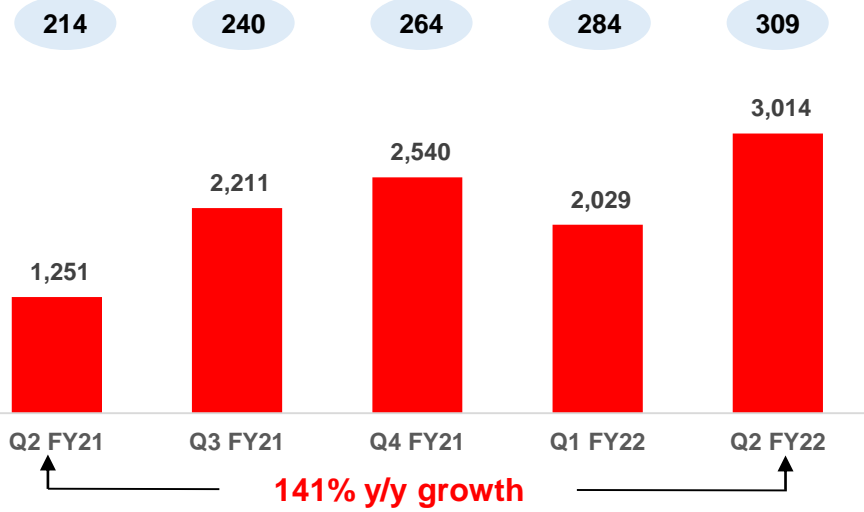
Net New Stores added in the Qtr - 25



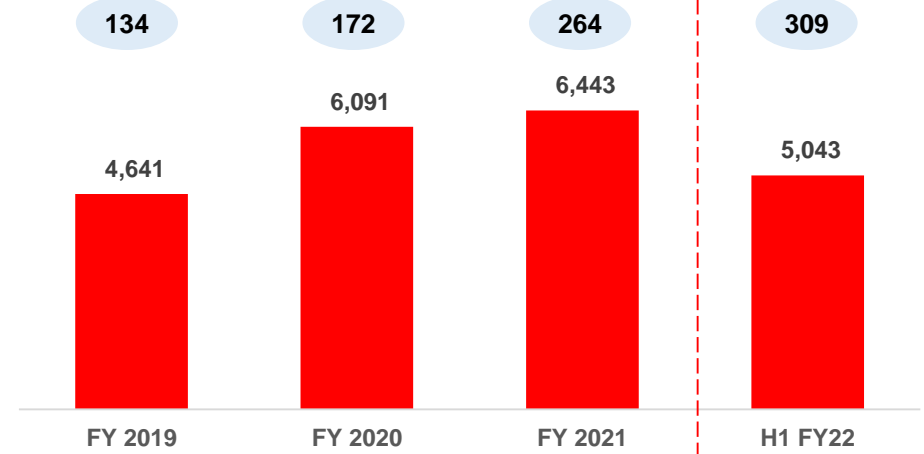
Business Performance – KFC



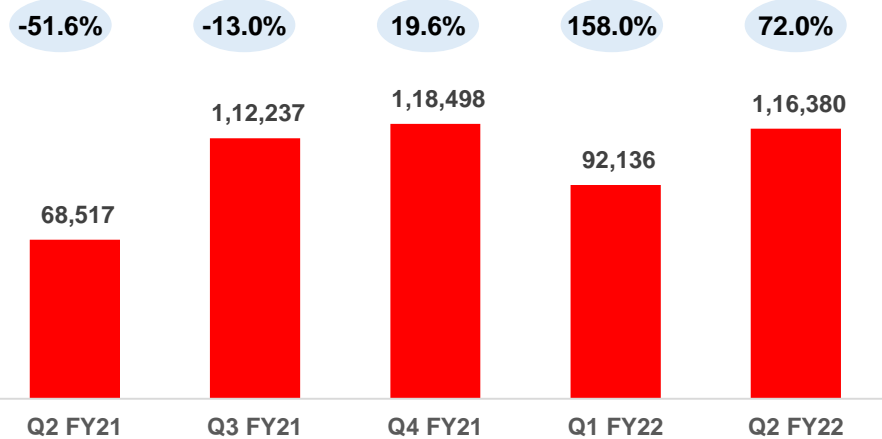
Revenue from Operations - Quarterly



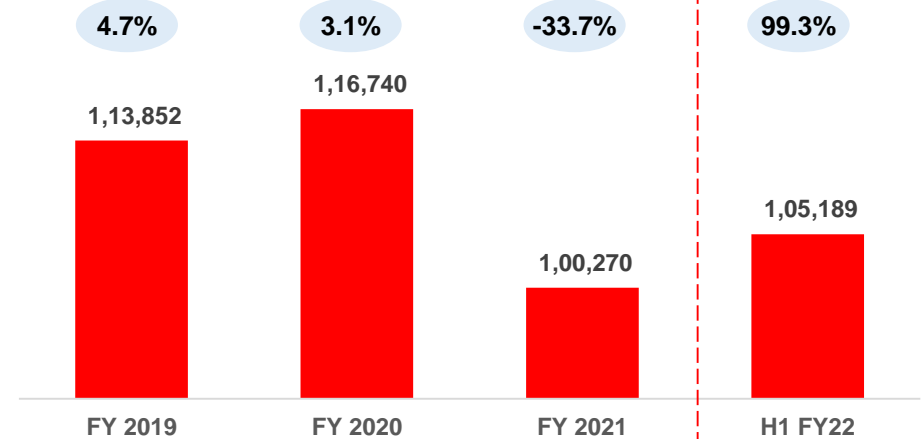
Revenue from Operations - Annual



Avg. Daily Sales per Store (ADS) - Quarterly



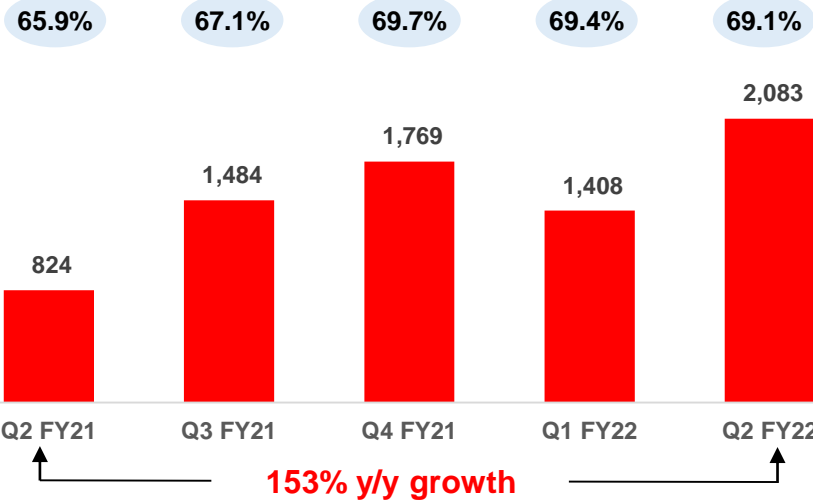
ADS - Annual



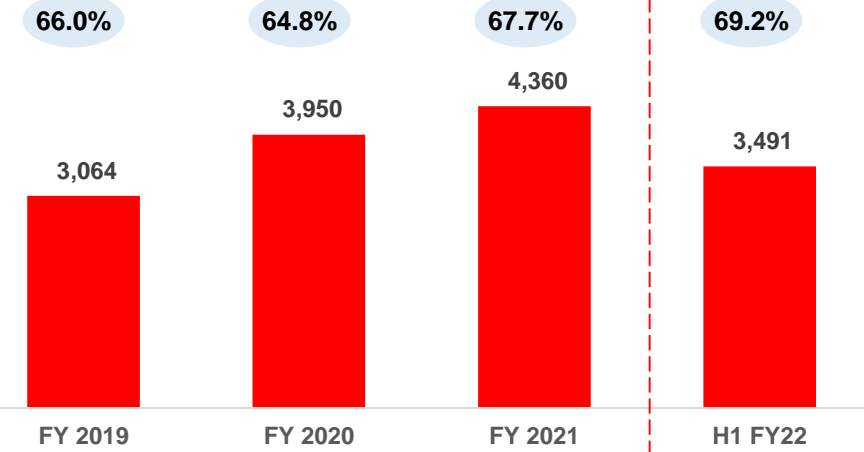
Financial Performance – KFC



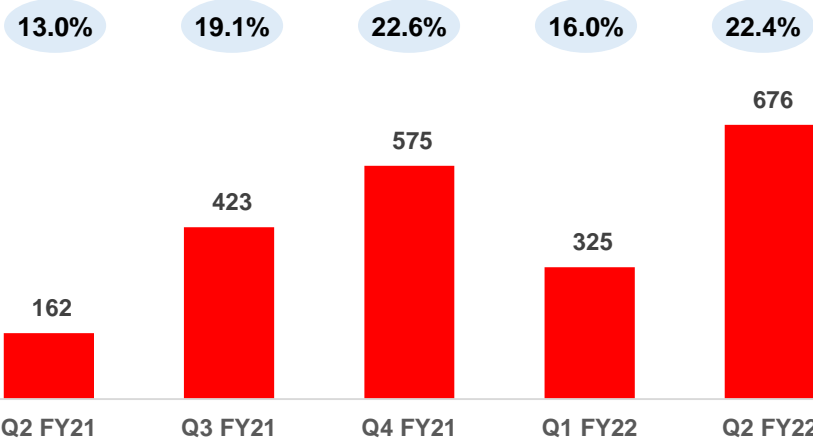
Gross Profit - Quarterly



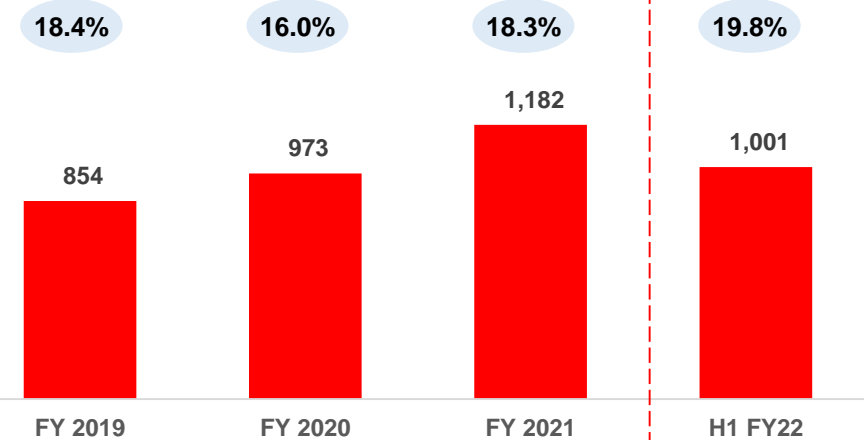
Gross Profit - Annual



Brand Contribution - Quarterly



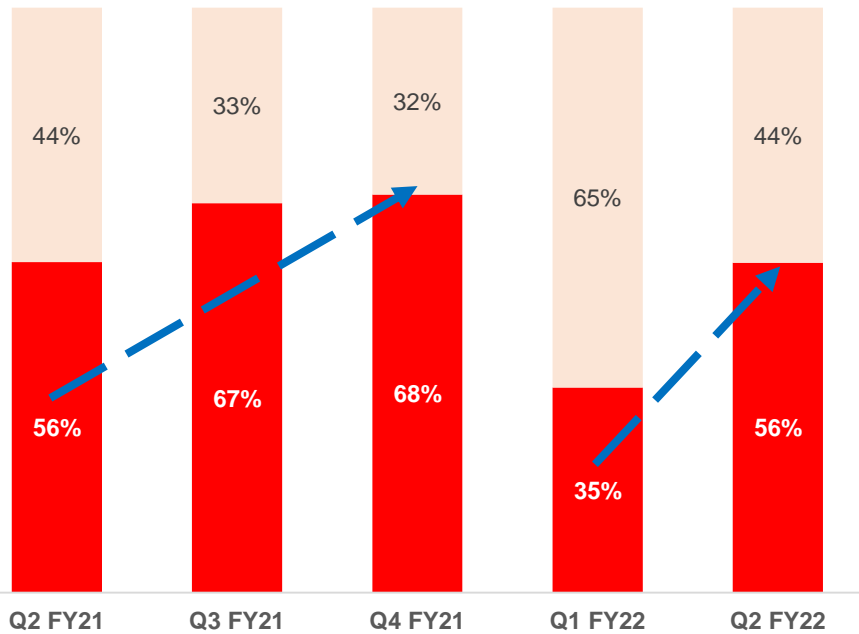
Brand Contribution - Annual



Channel Sales Mix - KFC



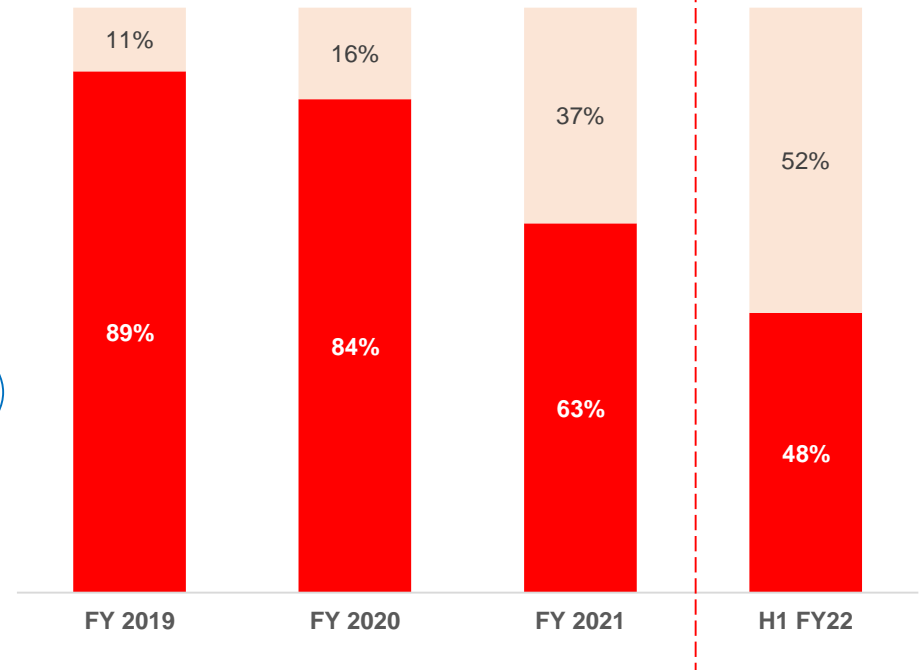
KFC Sales Mix - Quarterly



■ On-Premise
■ Off-Premise

On-premise recovering as Covid-related restrictions ease

KFC Sales Mix - Annual



On-Premise = Dine-in, Eat-in or Takeaway
Off-Premise = Delivered (either Own or Aggregator)

Brand Building Activities



WHEN THE UMPIRE SIGNALS
A STRATEGIC
“BUCKET” TIME-OUT!





Core Brands – Pizza Hut

Net New Stores added in the Qtr - 34



PURNIA



ROURKELA



KHARAR



NOIDA



HYDERABAD

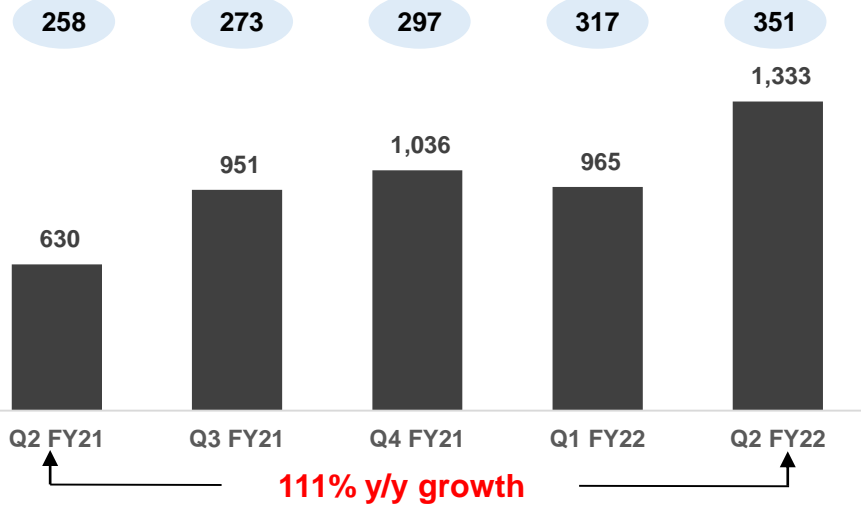


KOLKATA

Business Performance – PH

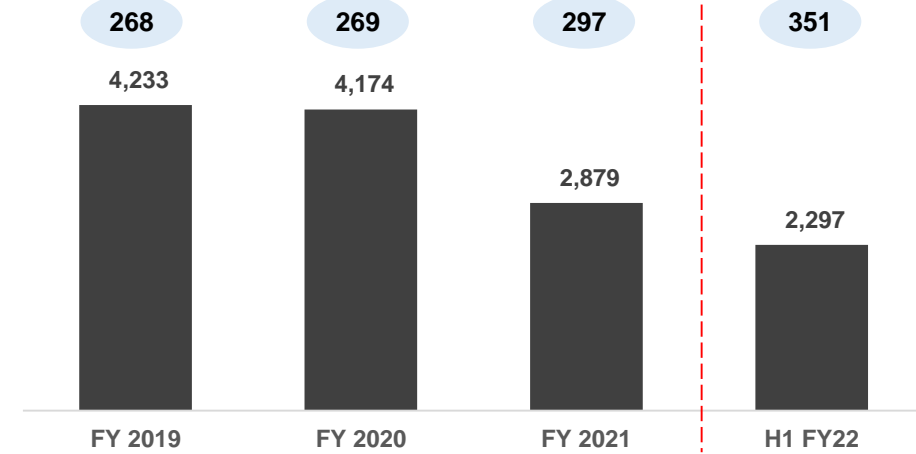


Revenue from Operations - Quarterly

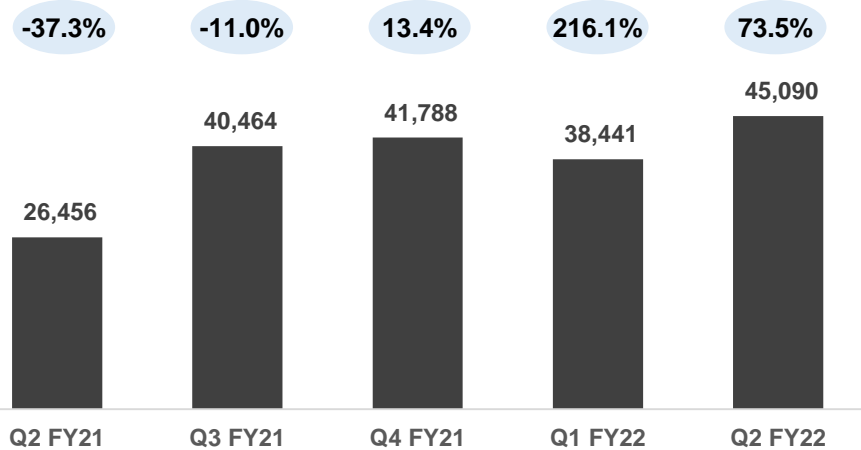


Stores

Revenue from Operations - Annual

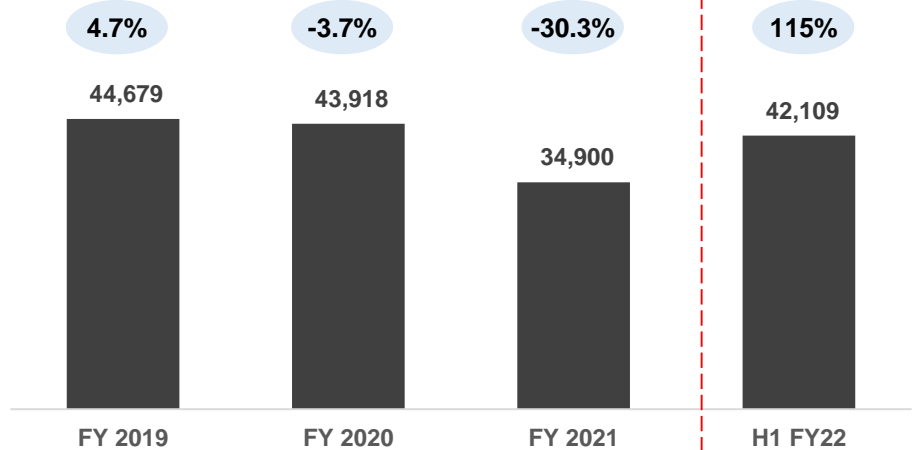


Avg. Daily Sales per Store (ADS) - Quarterly



SSSG %

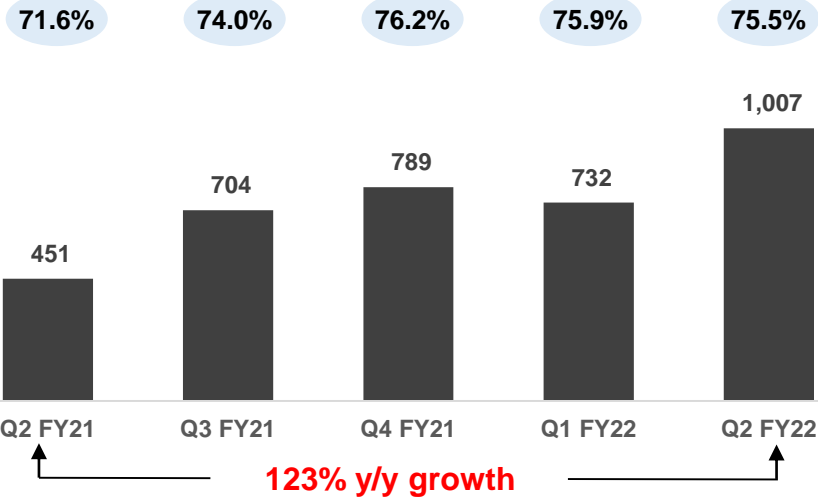
ADS - Annual



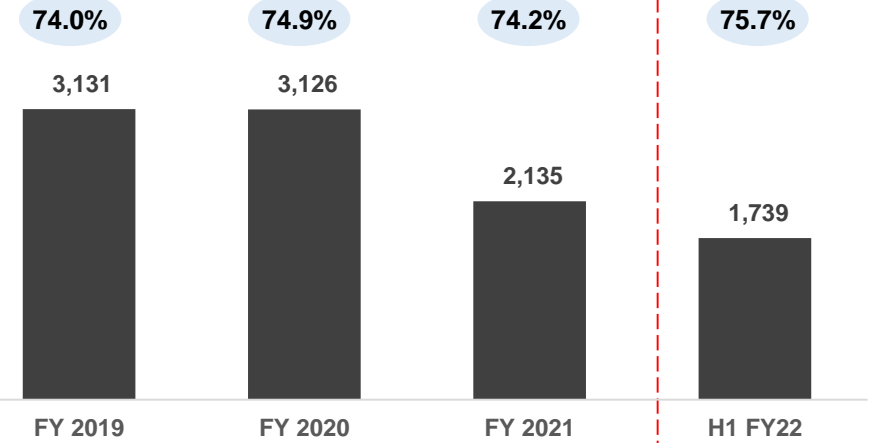
Financial Performance – PH



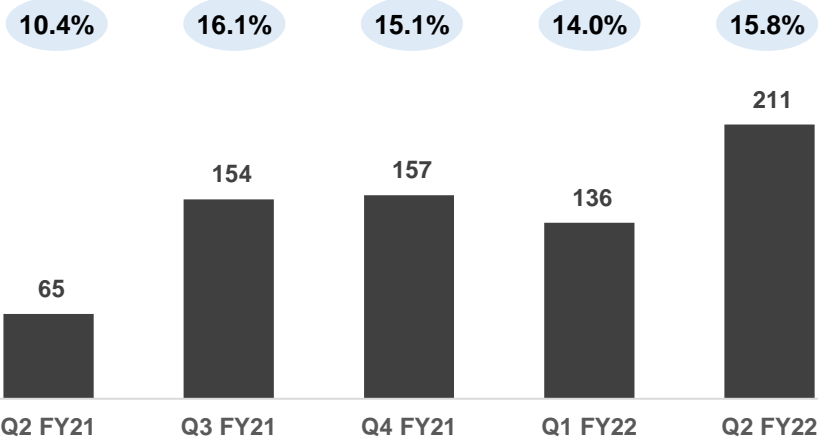
Gross Profit - Quarterly



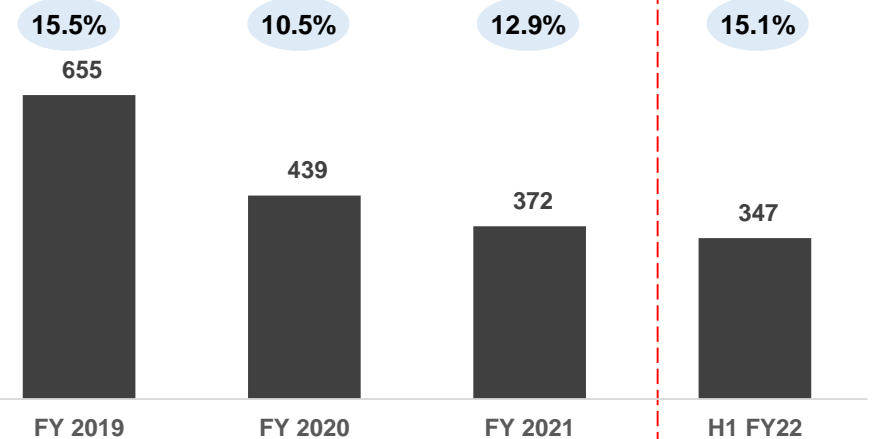
Gross Profit - Annual



Brand Contribution - Quarterly



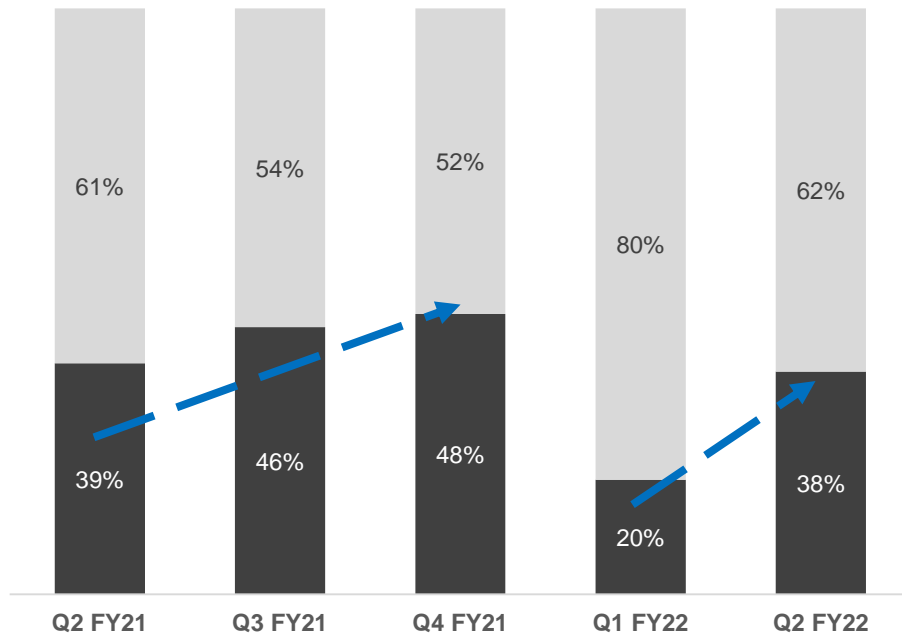
Brand Contribution - Annual



Channel Sales Mix - PH



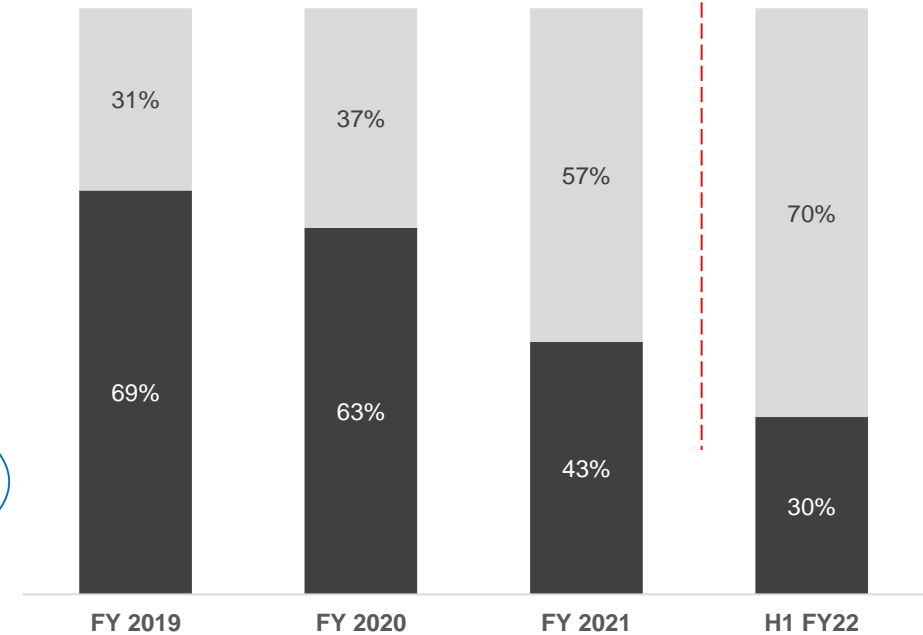
PH Sales Mix - Quarterly



On-Premise
 Off-Premise

On-premise recovering as Covid-related restrictions ease

PH Sales Mix - Annual



On-Premise = Dine-in, Eat-in or Takeaway
Off-Premise = Delivered (either Own or Aggregator)

New Initiatives



Pizza Hut

**JUICY MOMOS OR CHEESY PIZZA?
DON'T PICK JUST EPIC!**

PRESENTING
MOMO MIA! PIZZA

TRY WITH MOMO DIP

MEAL FOR 1 STARTING @ 299

WALK IN | 1800 202 2022 | PIZZAHUT.CO.IN | DOWNLOAD APP

*Prices applicable as per pizza selected by the consumer. Prices may vary based on the channel (delivery, dine-in or takeaway) or the store selected. Not valid on airport & Pizza Hut Express stores. This is a limited time offer. All product images are for illustration purposes only. Actual products may vary. Prices are exclusive of GST taxes. Pizza Hut reserves the right to change, modify, withdraw the offer at any point of time without any prior notice. Pepsi is a registered trademark of PepsiCo, Inc. Carbonated Water, Sweetened Carbonated Water, Pepsi contains caffeine. For more details, visit pizzahut.co.in. T&C Apply.



MONSOON FAVOURITES

NEW DESSERTS

FLAT OFF ₹125

ON MIN. ORDER OF ₹500*

USE CODE **HUT125**

CHOC-TASTIC SUNDAE!
SPOON ME!

M MAGNUM CHOCOLATE TRUFFLE

Kebab-e-Crust

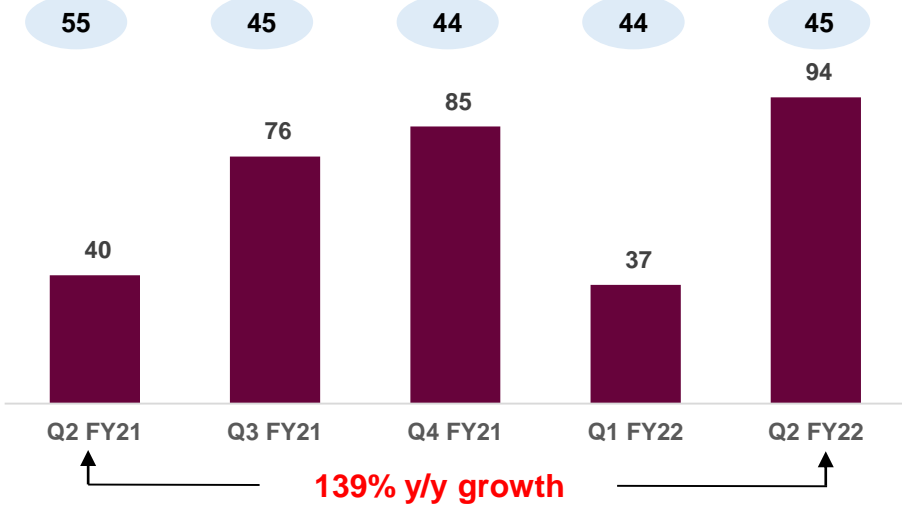


Core Brands – Costa Coffee

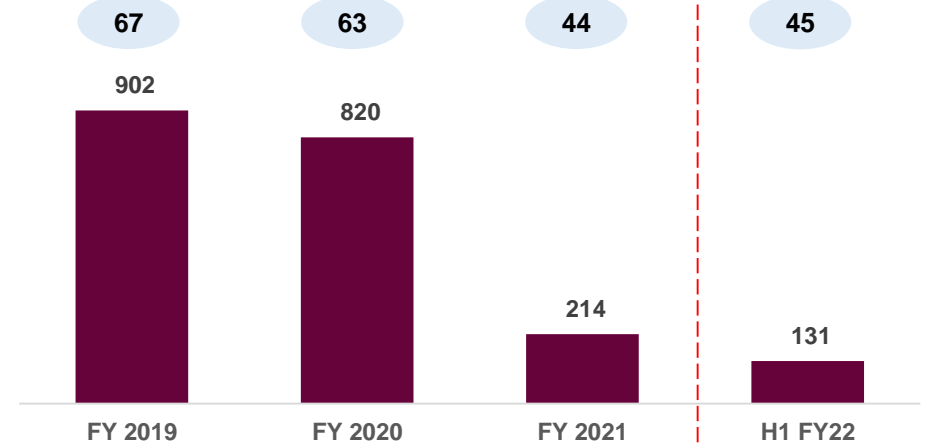
Business Performance – Costa



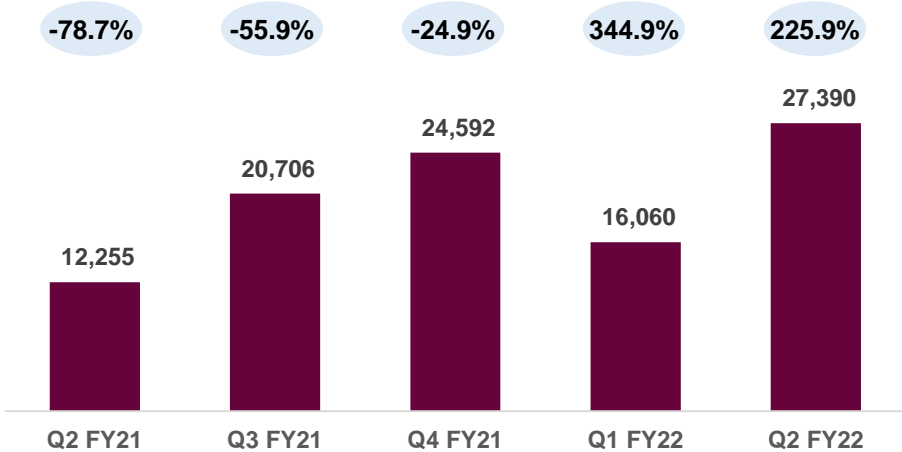
Revenue from Operations - Quarterly



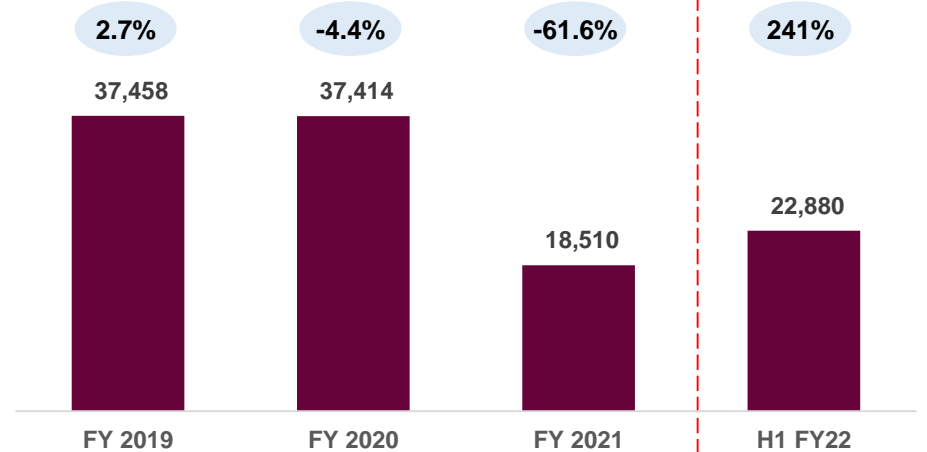
Revenue from Operations - Annual



Avg. Daily Sales per Store (ADS) - Quarterly



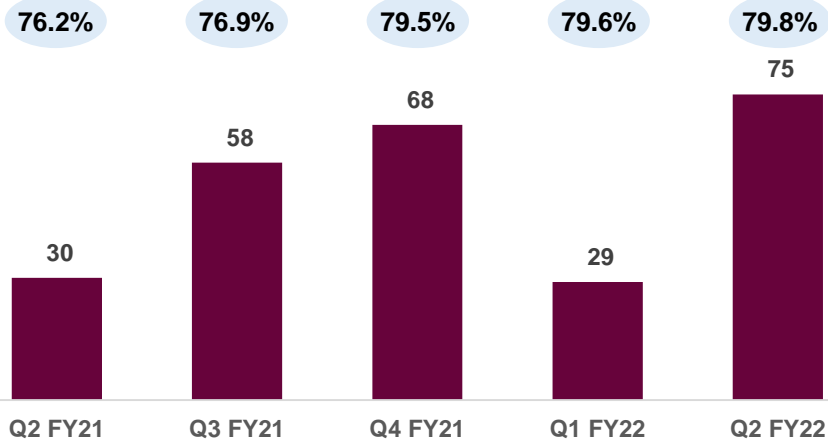
ADS - Annual



Financial Performance – Costa

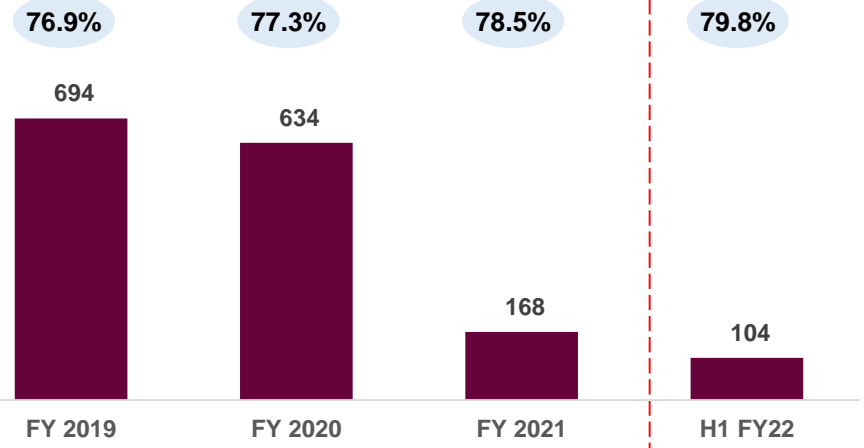


Gross Profit - Quarterly

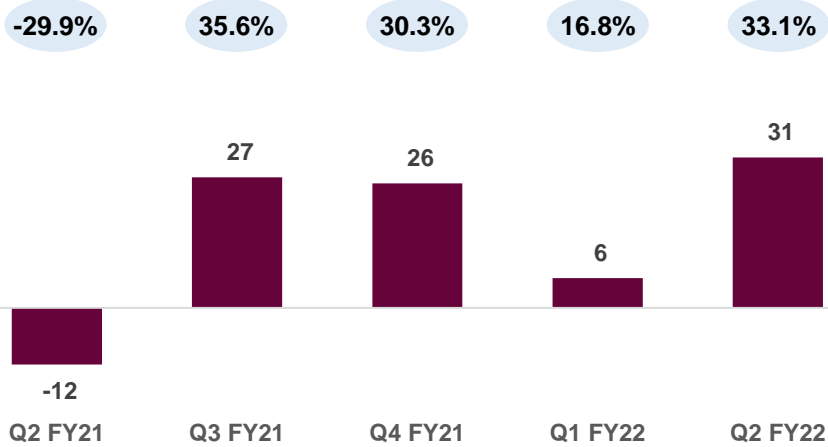


150% y/y growth

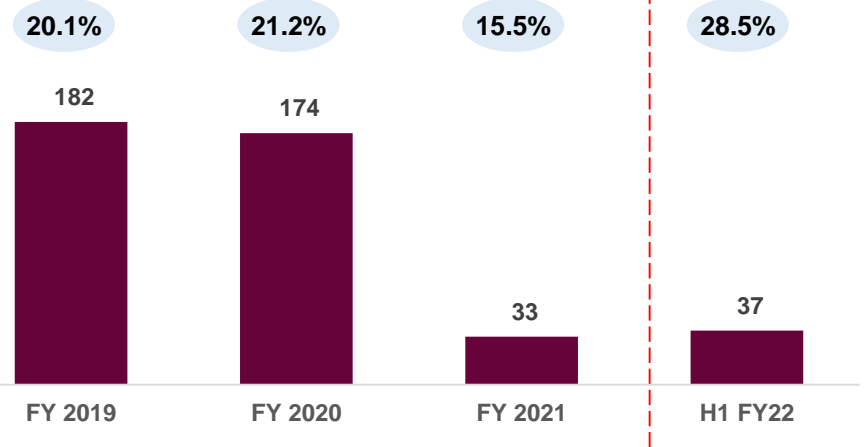
Gross Profit - Annual



Brand Contribution - Quarterly



Brand Contribution - Annual





Summary Financials



Consolidated Profit & Loss Statement



Particulars (Rs. Million)	Q2 FY22	Q2 FY21	YoY (%)	H1 FY22	H1 FY21	YoY (%)
Revenue from Operations	5,161	2,299	124%	8,688	3,226	169%
Other Income	52	260		98	731	
Total Income	5,213	2,560		8,787	3,958	
Raw Material Cost	1,497	741		2,513	1,019	
Gross Profit	3,664	1,559		6,175	2,208	
<i>Gross Margin</i>	<i>71.0%</i>	<i>67.8%</i>		<i>71.1%</i>	<i>68.4%</i>	
Employee benefits expense	594	347	71%	1,131	627	80%
Other expenses	1,837	764	140%	3,196	1,312	144%
Total Expenses	2,431	1,111		4,327	1,939	
EBITDA	1,233	448	175%	1,849	269	587%
	23.9%	19.5%		21.3%	8.3%	
Finance Costs	328	422		652	734	
Depreciation & Amortization Expense	526	658		1,008	1,238	
Impairment	(48)	208		(1)	483	
Exceptional (Gain)/ Loss	7	83		151	78	
Profit before Tax (PBT)	472	(664)		137	(1,533)	
Tax Expense	6	(9)		5	(13)	
Profit after Tax (PAT)*	466	(655)	<i>nm</i>	132	(1,520)	<i>nm</i>

*For continuing operations only

Consolidated Balance Sheet



Particulars (Rs. Million)	30-Sep-21	31-Mar-21
Equity Share Capital	1,203	1,154
Other equity	4,106	(16)
Non-controlling interests	(49)	(419)
Total Equity	5,259	719
(a) Financial liabilities		
(i) Borrowings	1,306	3,594
(ii) Lease liabilities	8,961	7,937
(iii) Other financial liabilities	39	49
(b) Provisions	185	169
(c) Other non-current liabilities	12	10
Total Non-Current Liabilities	10,504	11,759
(a) Financial liabilities		
(i) Borrowings	140	1,040
(ii) Trade payables		
(a) total outstanding dues of MSME	125	151
(b) total outstanding dues of creditors other than MSME	1,648	1,468
(iii) Lease liabilities	817	787
(iv) Other financial liabilities	620	477
(b) Other current liabilities	230	193
(c) Provisions	84	83
(d) Current tax liabilities (net)	9	7
Total Current Liabilities	3,668	4,207
Total Liabilities	14,171	15,965
Total Equity & Liabilities	19,436	16,684

Particulars (Rs. Million)	30-Sep-21	31-Mar-21
(a) Property, plant and equipment	5,044	4,307
(b) Capital work-in-progress	172	143
(c) Right-of-use assets	7,641	6,660
(d) Investment properties	436	456
(e) Goodwill	644	644
(f) Other intangible assets	1,470	1,855
(g) Investment in subsidiaries and joint venture	-	-
(g) Financial assets		
(i) Loans	-	-
(ii) Other financial assets	1,035	603
(h) Deferred tax assets (net)	99	96
(i) Income tax assets (net)	119	80
(j) Other non-current assets	311	195
Total Non-Current Assets	16,972	15,039
(a) Inventories	709	622
(b) Financial assets		
(i) Trade receivables	183	169
(ii) Cash and cash equivalents	321	400
(iii) Bank balances other than cash & equivalents	668	6
(iv) Loans	-	-
(v) Other financial assets	281	254
(c) Other current assets	301	196
Total Current Assets	2,464	1,645
Total Assets	19,436	16,684



Sustainability & Social Initiatives



Social & Sustainability Initiatives



Business



Inspiring Trust, Assuring Safe & Nutritious Food
Ministry of Health and Family Welfare, Government of India

KFC's India Sahyog supports 100 small food businesses in Bangalore

31 Jul 2021



On International Day of Sign Languages, KFC India had nothing to say -literally!

By Passionate in Marketing - October 6, 2021

Company Background




Devyani International – Brief Snapshot

- Multi-dimensional comprehensive QSR player
- Among the largest operators of chain QSRs in India, on a non-exclusive basis
- Portfolio of highly recognized global brands catering to a range of customer preferences
- Presence across key consumption markets with a cluster-based approach



Largest franchisee of Yum Brands in India⁽¹⁾



Relationship with Yum since 1997 with opening of 1st Pizza Hut store and Yum acquiring 4.76% equity stake in the Company in FY21

3 Core Brands - 747 stores⁽²⁾


		
348	354	45



Sole franchisee⁽¹⁾ for KFC and Pizza Hut in Nepal and KFC in Nigeria



Acquired 73 KFC stores from Yum between FY19-21






H1 FY22 Revenue – INR 8,688mn with 21.3% EBITDA margin⁽³⁾

1. Source: GlobalData Report; Franchisee of Yum Brands on non-exclusive basis
 2. Core Brands store breakdown as of September, 2021- 705 stores in India and 42 stores internationally.
 3. Post IndAS 116 EBITDA.

Key Strengths and Strategies



Well Recognized Brands Across Spectrum and Key Consumption Markets

	Core Brands (3 International Chain QSR Brands)					Others (Own / 3 rd Party)
	India		International (Nepal & Nigeria)		India	
Type	 QSR	 QSR	 Coffee	 Nepal & Nigeria	 Nepal	 & Other Brands QSR
# of stores <i>(as at Sep. 30, 2021)</i>	309	351	45	42	54	
% of H1 FY22 Revenue from Operations	58%	26%	2%	10%	4%	

Core Brands – 747 stores; 96% of H1 FY22 revenue

Devyani International is among the largest operators of chain QSR in India

Distinguished Board and Experienced Senior Management Team

Board of Directors



Ravi Jaipuria
Non-executive Director



Ravi Gupta
Independent Director



Varun Jaipuria
Non-executive Director



Rashmi Dhariwal
Independent Director



Raj Gandhi
Non-executive Director



Naresh Trehan
Independent Director



Virag Joshi
Whole-time Director, President & CEO



Girish Ahuja
Independent Director



Manish Dawar
Whole-time Director & CFO



Pradeep Sardana
Independent Director

Senior Management Team



Virag Joshi
Whole-time Director, President & CEO



Manish Dawar
Whole-time Director & CFO

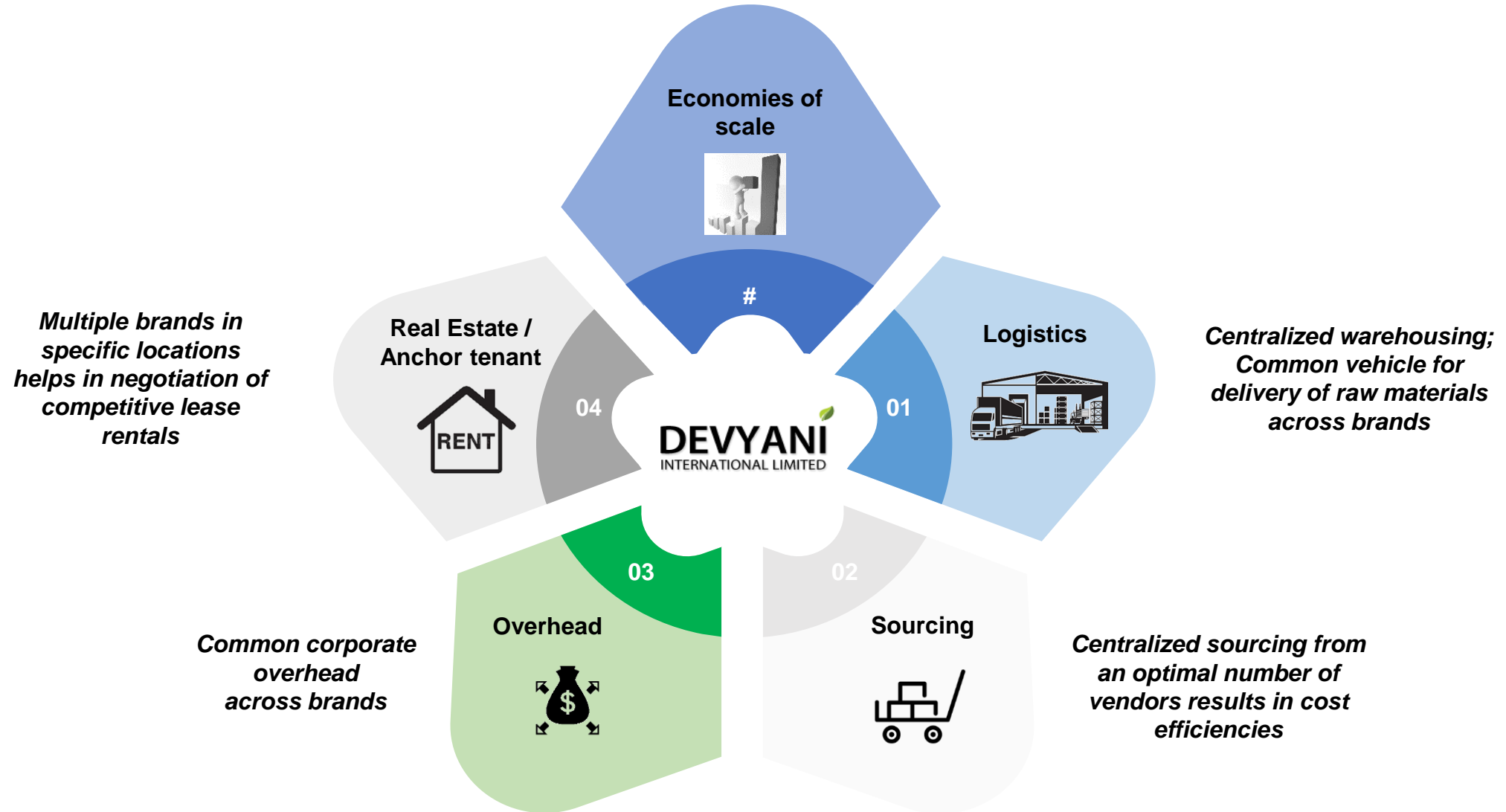


Rajat Luthra
CEO, KFC



Amitabh Negi
CEO, Pizza Hut

Cross Brand Synergies leading to Operational leverage



Focus to Improve Unit Level Profitability

Revenue Expansion

- Store expansion – both organically and inorganically
- Delivery – Investment in technology; Delivery-focused stores; Engagement with delivery aggregators
- Menu – Innovative product offerings; Re-developing menus to focus on delivery and takeaways
- Drive order frequency and order ticket size



Cost Efficiency

- Optimisation of supply chain with focus on and benefits of cost, quality and quantity for sourcing
- Rent – Smaller store format to expand faster
- Employee Cost – optimisation of staff; Flexible work arrangements
- Rationalization of underperforming assets



Store expansion with focus on bringing cost efficiencies at each level to result in higher profitability

Focus on Safety and Hygiene



About Us



Devyani International Limited (DIL) is the largest franchisee of Yum Brands in India and are among the largest operators of chain quick service restaurants (QSR) in India, on a non-exclusive basis, and operate 803 stores across more than 175 cities in India, Nigeria and Nepal, as of September 30, 2021. In addition, DIL is a franchisee for the Costa Coffee brand and stores in India.

Yum! Brands Inc. operates brands such as KFC, Pizza Hut and Taco Bell brands and has presence globally with more than 50,000 restaurants in over 150 countries, as of December 31, 2020.

Founded in London by Italian brothers Sergio and Bruno Costa in 1971, Costa Coffee is present in 41 countries around the world, with over 2,800+ coffee shops in the UK&I and 1,100+ globally.

Please visit www.dil-rjcorp.com for more information. You may also reach out to:

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DEVYANI
INTERNATIONAL LIMITED



Thank You!

