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[Formerly known as Westlife Development Ltd.]
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Date: 2nd November, 2023

To,	**To,**
BSE Ltd. ('the BSE)	**The National Stock Exchange of India Limited ('the NSE')**
Phiroze Jeejeebhoy Towers	**Exchange Plaza**
Dalal Street	**Bandra Kurla Complex, Bandra (East)**
Mumbai 400 001	**Mumbai – 400051**

Sub : **Compliance with Regulations 30 of the SEBI (LODR) Regulations, 2015, submission of transcript of earnings conference call for the quarter ended 30th September, 2023.**

Re : **Westlife Foodworld Ltd. (formerly known as Westlife Development Ltd.) ("the Company") : Scrip Code-505533 and WESTLIFE (NSE)**

Dear Sirs,

In compliance with Regulations 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith transcript of earnings conference call for the quarter ended 30th September, 2023.

In this regard, the transcript of the said earnings conference call has also been uploaded on the Company's website and can be accessed at the weblink: https://westlife.co.in/investors-earnings-release.php

You are requested to take the same on record.

Thanking you,

Yours faithfully,
For **Westlife Foodworld Limited**

Dr Shatadru Sengupta
Company Secretary

Encl : as above

Westlife Foodworld Limited
Q2 FY24 Earnings Conference Call

October 26, 2023

MANAGEMENT:

- Mr. Amit Jatia – Chairperson
- Ms. Smita Jatia – Vice Chairperson
- Mr. Saurabh Kalra – Managing Director
- Mr. Akshay Jatia – Executive Director
- Mr. Saurabh Bhudolia – Chief Financial Officer
- Mr. Chintan Jajal – Lead Investor Relations

Moderator: Ladies and gentlemen, good day, and welcome to the Westlife Foodworld Limited Q2 FY '24 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 harbour disclosure in the earnings presentation.

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

Chintan Jajal: Thanks, Rio. Welcome, everyone, and thank you for joining us on Westlife Foodworld Earnings Conference Call for the second quarter ended 30th September 2023. I am Chintan Jajal, Lead IR at Westlife. From the management team, I have with me Mr. Amit Jatia, Chairperson; Ms. Smita Jatia, Vice Chairperson; Mr. Saurabh Kalra, Managing Director; Mr. Akshay Jatia, Executive Director; and Mr. Saurabh Bhudolia, Chief Financial Officer.

We will kick off today's conversation with Smita sharing her thoughts on overall business progress and outlook. This will be followed by Akshay taking us through operational, financial and strategic highlights. Post that, we can open the forum for questions and answers. We will be referring to earnings presentation and financial releases available on BSE, NSE and Investor's page of our website.

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

Smita Jatia: Thank you, Chintan, and good evening, everyone. It is my pleasure to be here today to share with you some thoughts on Westlife Foodworld's journey and our plans. The world has changed a lot in the past two years, and Westlife Foodworld has emerged with it delivering bigger, better and bolder McDonald's to all our stakeholders.

We started with a goal to become the most admired brand in India providing consistently delicious food, superior customer experience, a positive impact on the communities we serve and offering long-term value to all our shareholders.

Charting our Vision 2027 set us in this new direction and provided us with a constant framework to make sure a go-forward strategy reflects the new operating environment. Ready to address the opportunities of the future through the institutionalization of this vision, we are thereby committed to aggressive footprint expansion, modernizing restaurants, and unlocking new growth prospects.

We have been delivering differentiated results quarter on quarter by focusing on our core strengths and executing our strategy flawlessly. We charted our navigation through customer trends and were constantly innovating to keep up with the market. Our execution excellence strategy, which focused on menu, meals, and branding, generated growth and strengthened our brand. This helped us to post an encouraging 3% Same Store Sales Growth in the first half of this financial year. We also witnessed an increase in our gross margins of about 160 basis points in the last six months compared to the same period last year, highlighting the strength of our brand and our business strategy. In the first half of the year, we generated CASH PAT to the tune of Rs. 1.28 bn which signifies our healthy cash generation ability.

Our strategy of committing to Burger, Chicken, and Coffee as growth drivers has been working seamlessly. Therefore, our meal strategy will remain focused on protecting our market leadership through menu innovation and committing to our core categories. We are constantly innovating our burger, chicken, and coffee menu to meet the evolving needs of our customers and give them newer experiences.

We are also consolidating our leadership position in both West and South markets. While we are already leaders in the West, we are inching closer to a leadership position in the South. We are doing this by expanding our reach and doing differentiated work creating menu relevance through platforms such as McSpicy Fried Chicken and McSpicy Chicken wings, which have been scoring well in the South. We are also running multilingual campaigns that appeal to the regional audience, our campaigns featuring NTR Jr. have improved our brand affinity in the South.

The foundation of our business model is the achievement of long-term goals, and we are currently guided by our Vision 2027. We are prepared to address future opportunities by institutionalizing this vision and are confident that we have the right components in place to deliver on our Vision 2027 strategy. Our most potent business drivers – menu innovation, omnichannel customer engagement, network expansion, operational efficiency, and a strong team - make us well-poised to deliver growth and create long-term value for our shareholders.

I thank you for your continued support and will now request Akshay to share the operational highlights of the quarter gone by.

Akshay Jatia: Good evening, everyone. I hope you had a good Navratri celebration and a happy Vijayadashami. I'm glad to be here today to share our Q2 results with you.

Overall, our performance has remained fairly resilient with Consolidated Sales and Same Store Sales growing by 7% and 1% YoY respectively. This was despite a solid base of last year, where we had clocked 40% SSSG, as well as the persistent softness in consumption trends across informal eating-out space. Furthermore, we have seen our market share as well as brand qualitative metrics improve across geographies, which gives us the confidence that our brand equity is on a structural up move.

During the quarter, our on-premise business grew hand in hand with off-premise at 7% YoY. This demonstrates the relevance of our Omni Channel business model and our ability to serve customers through different formats and channels. Our off-premise contribution remained stable at ~41%, as customers increasingly embrace our delivery and takeaway options while continuing to visit our stores. Our Average Sales Per Store on a Trailing Twelve Months (TTM) basis improved by 7% YoY to Rs 66.5 mn.

On the menu, McSpicy Fried Chicken continued the strong momentum in the South led by sharers and brand campaigns with Jr. NTR which we started around mid-June. We launched the Shravan Special menu with no onion and garlic which saw good traction in key markets during July and August. Premiumization and innovation in the desserts and beverages portfolio continued with Mixology beverages, Oreo Softies and KitKat desserts range. We will continue elevating our brand and innovating in our core equities of burgers, chicken, and coffee.

Digital remains an engine of growth and brand experience for us. Our Digital Sales grew by nearly 30% YoY contributing 67% to the topline in Q2, driven by Self-ordering kiosks and Mobile Apps. We also have over 28 million cumulative apps downloads and have seen a ~14% YoY growth in Monthly Active Users (MAU). We will continue this journey of digital innovation and providing a unified experience to customers.

Moving on to profitability, our gross margin of 70.1% in Q2 improved by about 93 basis points year-over-year, led by a better mix and cost-saving initiatives. The input cost basket remained broadly stable, not necessitating any material pricing actions. Our restaurant operating margins were lower by 58 basis points YoY, as the higher gross margin was offset by royalty and annual store payroll hikes. General and administrative (G&A) costs, as a percentage of sales, were higher on a YoY basis, but broadly stable on a sequential basis and are likely to track current levels and subsequently descend with a better scale. The operating EBITDA margin at 16.2% was lower with relatively lower operating leverage in the quarter. Cash profit after tax stood at Rs 614 million or 10% of sales. We are focused on improving our operational efficiency through better control over costs and augmenting scale. These initiatives will help us to achieve our targets of 18-20% EBITDA margin and superior return ratios.

On the network, we opened 9 new restaurants in Q2, bringing the total number of restaurants to 370 in 59 cities as of September 30 with 88% of these restaurants having McCafes, 74% being EOTF stores, and 19% being drive-thrus. Despite the near-term hiccups in the business environment, we will continue our network expansion plans by adding 40 - 45 new stores in FY24 with the majority of them in the south.

In closing, I would like to emphasize the fact that we have a long-term, structural opportunity in front of us considering the promising macro dynamics. We are unfazed by the near-term challenges, which are largely transient, and look forward to improving consumer sentiment during the festive season. Our strong brand, loyal customer base, talented team and unwavering focus on execution gives us a competitive advantage to deliver differentiated performance and achieve our vision. Thank you for your time, I now hand over the call to the moderator, and we are happy to answer any questions you may have.

Moderator: Thank you very much. The first question is from the line of Devanshu Bansal from Emkay Global. Please go ahead.

Devanshu Bansal: Sir, SSSG is sort of relatively lower at about 1% versus our medium-term outlook. So I wanted to check, has demand environment worsened versus our expectation? Or is it because of a shift of festive season and things should pick up in Q3?

Akshay Jatia: So thanks for that, Devanshu. I think that all around you are seeing pressure on macro spending, IEO, which is the informal eat out category as well as Western fast food are under pressure in terms of growth. However, what we have seen is our market share has improved. But because eating out frequency remains low, and we had Shravan and shraad, you have seen pressure on Western fast food, which is the category we operate in.

But we are enthused that we've captured share. We are optimistic about the festive sentiment and Q3. And we have a lot of strategic measures in place to ensure that our customers come back to the restaurants, our Vision 2027 remains on track and we are quite optimistic about Q3.

Devanshu Bansal: Akshay, you also mentioned in your commentary that majority of the stores that are expected to be added are going to be in the Southern region. So from my understanding, the Western part of the region has always been more profitable region for us. So I wanted to check how is the profitability of the Southern regions sort of timing out for us, which is giving us the confidence for most of the additions happening in that space?

Akshay Jatia: I'll take that question. So Devanshu, what we have seen is that our average unit volume in the South substantially increased in the last few years, and we kind of gave out some numbers in our strategic presentation or Strategy Day that we did in December where it's almost 80% of that in the West. And as a result, in fact, profitability in the South is good because unit economics are structured even better in smaller towns in the South, in cities where you've seen growth come now versus, say, like Mumbai, where rentals have always been high, utility costs have always been high, even though average unit volume is substantially higher.

So in fact, we look at this as a better opportunity for profitability because while we continue to dominate in the West and extend our lead, we are increasing our presence in the South where average unit volume is increasing, where the brand relevance has become very strong. And as a result, we expect profitability to only improve in the long term.

Yes, in the short term because we're adding such a large number of stores to our base, you will see some pressure in terms of drag because you have a lot of fixed costs coming on to the P&L. But average unit volume is growing. So as a result, you don't see much of an impact on profitability.

Devanshu Bansal: Got it. Last question from my end. The capex for H1 has been about INR100-odd crores, and we have opened about 13 stores. So what is it to check if there is a change in the format in which our new stores have been opened? So any light, any color that you would like to provide on this?

Saurabh Bhudolia: This is Saurabh here. So see, there is no direct relation between the capex how much we will spend versus how many stores we have opened. There are a number of stores which are in pipeline or under groundbreak stage. So overall, if you see on an annualized basis, we have already given the guidance that around INR200 crores to INR250 crores of the capex we are planning to incur versus 40 to 45 stores we are going to open, which will have a mix of drive-thru versus stand-alone versus mall store. And that also includes 30, 35 stores which will go for the reimaging. So put together, that is the range of the capex we are planning to incur.

Moderator: The next question is from the line of Aditya Soman: from CLSA.

Aditya Soman: A couple of questions. Firstly, on consumer demand. I mean you indicated that consumer demand was weaker in the previous quarter. So have you seen any improvement in this in the first few weeks of 3Q given that we've had sort of the World Cup and the festive season coming on? So any sort of change in consumer sentiment?

Saurabh Kalra: So Aditya, we don't give any forward-looking statements for sure. But let me give you another perspective. I think last year, same quarter, we had grown same-store case growth by 40%. Our overall growth was around 50%. Now to me, in an environment where there is headwind, to be able to retain that base is a very good foundation for us to going towards Vision 2027. So what we're not changing is our big anchor of Vision 2027 on which we want to rally.

There are things, there is no linear graph of growth. Unfortunately or fortunately, in India, we have seen this. There are some quarters which are tight. There are some quarters which are brilliant. In some years, you throw the ball out of the park. There are some years, you have to defend, and that's part of the business.

So we don't unnecessarily see this quarter anything else happening, next quarter anything else happening. Whatever headwinds are there, immediately, will they go away. That is not how we have seen business happen. So in short, while we don't give any forward-looking statement, we don't see the headwinds changing dramatically immediately in the next quarter.

Aditya Soman: Understood. No, that's very clear. And secondly, in terms of how -- sort of ticket has trended over the last few quarters? And just a broad guideline on sort of ticket versus volume maybe over the next -- or over the medium term as well at the time.

Saurabh Kalra: See, we have always believed and we've always said that our growth is always a number of customer led. We maintain that. Obviously, the growth relatively speaking was muted versus our growth you would have seen in the last 6, 7 quarters. But like I said, last year, the base of growth was almost 50%. We've been able to not only retain it but grow it by 7%. So if I look at it, a lot of it was majorly driven by the customers and not necessarily the average rupee value increase on the ticket price.

Aditya Soman: Understood. So this would basically mean either an increase in footfall or just an increase in frequency of ordering by the same customers, right?

Saurabh Kalra: Correct. That would be an appropriate interpretation.

Aditya Soman: Understood. And any sense of -- as you move towards Vision 2027, how you want this to be? Or would this mix be the right way to look at it as far as possible you drive customer growth rather than ticket?

Saurabh Kalra: Yes. For us, long-term generator of business is always customers coming more often to the restaurants, more new customers coming into the fold. I think that's not going to change as long as the methodology of McDonald's stays alive with us. So we believe in Vision 2027 also. The guidances, which we had given in terms of high single-digit, same-store sales growth, new stores opening, all of them are relatively to be able to get more and more consumers more often to the restaurants.

Moderator: The next question is from the line of Gaurav Jogani: from Axis Capital.

Gaurav Jogani: Congratulations to the management on a resilient performance in challenging times. So my question is with regards to the margins bit. Despite only 1% SSG, we have managed to grow the gross margins, and the impact relatively was lesser on the EBITDA front. So how should we look the margins going ahead in Q3 specifically when we generally see uptick on a Q-o-Q basis? And also I would like to have your thoughts on -- what are your thoughts on this upcoming World Cup, is this giving you any benefits or the festive season, are you seeing any early green shoots there?

Saurabh Bhudolia: See, there are multiple factors, which has given us like leeway to have our gross margin stable and to take it forward from here. See, as compared to the last year same quarter versus this quarter, definitely promix has played a vital role to have our gross margin in the upward trend -- in the upward moment. Along with that, I believe the right amount of the negotiation and the way we have beat the inflation. So there are multiple cost projects we are running and which has given us a clear freedom to make our gross margin stable and to have our upward movement in the right direction.

And with that in the quarter 3, also, we are expecting that now the time has come when we should settle down our gross margin at this level. So sequentially, if you see, as compared to the last quarter versus this quarter, the gross margin in the similar trend. So I believe this is the right amount of the gross margin, definitely plus/minus few notches, point here and there. Otherwise, largely, we are very confident that this should be the range of the gross margin for this year-end.

Gaurav Jogani: Sir, what is the first factor that you highlighted for the gross margin expansion? I mean before the right amount of negotiations, you said something, I did miss that.

Saurabh Bhudolia: So that is the part of the promix. So we have a clear focus that how we should uplift our premium product as compared to the value. So uplifting of the premium product definitely allows us to have the larger amount of the gross margin as compared to our value menu architecture.

Gaurav Jogani: Okay. Okay. Got it. Got it. And sir, about the upcoming festive season and the World Cup, is there any green shoots -- early green shoots that you're seeing in the last 10, 12, 15 days? Is anything that you can highlight us?

Saurabh Bhudolia: So I believe it's too early to comment. By seeing the last quarter trend, as just now we have clarified that immediately, we are not seeing any kind of immediate reversion. But yes, as we are living in a country where definitely festival adds a lot of sentiment to the consumer. With that, I believe, definitely, the perception should change, and it would allow us to have the right moment in coming few weeks.

Moderator: The next question is from the line of Varun Singh from ICICI Securities.

Varun Singh: So my first question is when I look at your On-Premise revenue growth. So compared to last quarter, the drop is much more pronounced compared to the Off-Premise revenue growth. So I mean, for example, in current quarter, both the number stands at around 7%. But a drop from 17%, 18% to 7% is significantly more compared to a drop from 9% growth to a 7-odd percentage growth.

So just wanted to check if you want to share some insights on why so much significant decline in the overall growth rate, especially in the On-Premise business, given that we have already in advanced stage of EOTF stores and all other strategic initiatives that we are implementing on the ground, including premiumization menu level, etcetera?

Akshay Jatia: Yes. So Varun, I think that it's not really comparable sequentially. In the last couple of years, everyone has been talking sequentially because everyone has been kind of emerging out of COVID and seasonality hadn't really come into play. This is the first year where you're seeing a normal year on a base of last year that was a normal year. So seasonality, you are seeing it come back into play, whether it's the summer season, the monsoon season or now the festive season.

So how we look at it year-on-year, and that's how we've always looked on it -- looked at it, sorry. That's why SSSG is the most critical metric that we keep talking about. And if you look at our last year comp growth, it was 40%. And this year, we've still grown 7% of total sales through both Off-Premise and On-Premise. So I think that that's why we compare it. And even on that high base, our SSSG was still positive where industry is not kind of trending similarly.

So that's how we would answer this question. And like we said, we're very optimistic about our Vision 2027. For us, it's about the long term and bringing customers in at a high frequency to deliver those goals that we've laid out.

Varun Singh: Right. That's a fair point. Understood. But I actually meant that, for example, our overall revenue growth in Q1 was 14%. And this quarter -- I mean, on the year-on-year number, and this quarter, it has dropped to 7%. So there is a steep decline in the Y-o-Y numbers. And when the SSG numbers, if we look at the last -- I mean Q1 and compare it with Q2 and also when we compare it with competition with regards to how their like-for-like number has panned out over the last 2 quarters, sequentially year-on-year. So in our case, the drop looks much more steep and that's where I was coming from.

Akshay Jatia: So again, Varun, it's the same answer, right? It's not comparable sequentially. Last year, again, April May, June was the first quarter where we had exited COVID. And this year, we delivered good numbers. And in fact, that should be looked at positively where you've seen both comps and sales growth be healthy. You again saw a very healthy quarter last year in July, August, September. And on top of that, we still delivered positive growth. And I don't think you can compare across peers in terms of what steep or what's not, right?

The reality is that we are positive and all the numbers are kind of not comparable across peers. And peers in terms of industry trends and even category trends, everything is negative. So again, on a year-on-year basis, we are quite happy that despite a weak macroeconomic situation, we've delivered these numbers, and we're optimistic about Q3.

And if you check the long term four to five CAGR, I think that our performance is definitely differentiated, which is what we keep talking about. And even this quarter, from what we believe our performance is differentiated.

Varun Singh: Understood. And my second question is the INR179 popular price point, so do you want to -- I mean, has there been an increase in competitive intensity at this price point? Do you want to call out anything on that front?

Saurabh Kalra: No, we don't want to call out anything from a competition standpoint. We've always made it clear. I think because what happens is when a lot of things are getting compared as a percentage. We don't believe in that because if you look at after last year our SSG was double than most competition. So 1% out there might be 2% for somebody else. So we don't look at it necessarily percentage, competition. We follow our consumers. At that point in time when we launched INR179, that was a good value price point.

We keep on evaluating it month-on-month, quarter-on-quarter of where the trends are. Is consumption tight? Absolutely, it's tight. And that's something which -- it's not that we are not acknowledging. We're acknowledging, but we are not going to do knee jerk reaction and get into something. So we're going to think through. We're going to tweak and marginally modulate our strategy. But our long-term strategies remain constant, and that's what's given us the differentiated results, and we believe that's going to continue giving us the differentiated results.

Moderator: The next question is from the line of Shirish Pardeshi from Centrum Broking.

Shirish Pardeshi: I have a few questions. If I look back last 2 to 3 quarters, the whole snacking piece has been very, very bearish. Bearish in the sense, the consumption had its own challenges and that's repetitively he has been said. And most of the players in the segment has started using the value layer, and this is visible from our strategy also.

I just wanted to understand, is this consumer trend which is down trading or downsizing is now stable? Or you think it still is not visible?

Saurabh Kalra: So Shirish, first, from a category standpoint, I think QSRs across the world is built on value for money, also affordable price points, right? So I don't think any QSR can say, I'm not going to play in affordability and affordable price point. So that's part and partial of our lines. I think we've got a brilliant cycle of premiumization. We were just on trend, and we were able to get a great cycle of a couple of years of premiumization. That we're keeping the consumers intact.

Now we're saying how do we grow the market further with a little bit of headwinds coming our way. And value, obviously, will play a role. Affordability will play a role. That's something which we keep on evaluating, and we do a lot of consumer research to be able to find what is the right entry-level price point for what category is. And we are very selective in choosing what do we want to go after because eventually, all growth has to be profitable growth.

Shirish Pardeshi: That's helpful, Saurabh. The reason why I was asking this question that there is a dichotomy that we, on one side, expanding the premiumization story, and we are trying to up-trade on the other side, the consumer is also moving towards the value for money. So what is the optimal mix for any industry player to look at the premium versus the value? Is the value is, say, 2/3 and premium is 1/3? Or value is maybe 80%, 90%? So -- but how we should look at it?

Management: Shirish, I'll give you an example. I hope it will resonate with you. Typically, if you go alone from office for a lunch spending out of your own pocket, you're as miser as a college student. But when you go with your family, you're ready to spend much more. So there is a play of value. There is a play of depending on the occasion of spending. Now because we do a lot of work around the construct of this, the lunch occasion, even for office growers, might still remain a value affordable led occasion. It could be you might want a coffee instead of a Coke and so on and so forth.

So we do a lot of work around this to be able to say what are the consumer trends and demand because eventually if consumption is tight, your family visit is not getting compromised. What's getting compromised at the other visits, in which one would like to save as much as they can. So that's how things goes, and that's how we look at it. So our planning is saying, okay, are we ready for this consumption environment on a few occasions? Not necessarily everything because that's not how things are.

Shirish Pardeshi: Okay. That's helpful. My second question is on Slide 11, you have mentioned that you had 71 drive-thrus, which is about 19% of our store count and you have added two. I am more curious where this number will settle over the next 2, 3 years? Because I was expecting drive-thru will have the highest throughput and you will focus more on drive-thrus.

Akshay Jatia: Yes. So great question and drive-thru is one of our key levers in terms of network expansion because of the we can drive better throughput. It's a destination store. It gives us competitive advantage because McDonald's is known for drive-thru and it's an occasion that's building in our country, as you are seeing. Even infrastructure play out very beautifully.

So I think that drive-thru is very important for us as a business model. As you've seen globally also, McDonald has been a leader in this business model. And secondly, I think in terms of numbers, we're looking to add a significant amount of drive-thrus moving forward because by the time we reach 2027 where we look to add approximately around 600 stores, we expect around 25% to 30% of our stores being drive-thrus.

So we have more information laid out in our Vision 2027 document. But we've given examples as to how drive-thru drive better throughput for us as well and how it increases our brand penetration, our brand relevance. And the airport store actually that we recently opened at the T2 departure level is a very good example. In our deck, you can see the picture of how a gold standard drive-thru looks like. And we've seen better results there than expected. We've also have gotten a lot of compliments in terms of how the store has come out and the way it just shines in our concrete city.

Shirish Pardeshi: Indeed, Akshay, it was very helpful. And in fact, I was wanted to complement. I'm just more curious the one you have opened in T2 in Mumbai, how many such formats are existent in -- across West and South? Or going forward, that will be the planogram which you will be following?

Akshay Jatia: So like you said, we have 71 drive-thrus. They have different kind of layouts because of how dense some cities are, how available real estate is in other cities or smaller towns. So for example, there are many examples where we have similar types of design in smaller towns like on highways. In Ahmednagar recently, we opened a gold standard drive thru. In Sangli also, district of Maharashtra, we've opened a similar type of design because we have the availability of real estate as well as the appetite for the brand, and it's doing very well.

And this is the type of layout that you'll see more commonly in the future as the brand has also evolve and become more familiar. And even globally, this is the kind of work that McDonald's is doing.

Shirish Pardeshi: That's wonderful. Just last question on the drive thru. I just wanted to be more curious. In a stand-alone store versus drive-thru, what kind of differentials we will have average daily sales? Will it be higher significantly or will it be lower significantly?

Akshay Jatia: So again, we've given out this data in our Vision 2027 deck. Why I was referring to that because that is what's publicly available. There is an example of a drive-thru in a small town called Bharuch where you see that average sales are almost 1.5x of system. And you won't see this across every single drive-thru, but that's the range that we've given. And yes, like I said earlier, drive-thrus have the capability of driving better throughput just because of the occasion, it's a destination store. The drive-thru model is a competitive advantage, which is why McDonald's has been the leader in driving both drive-thru as well as volumes.

Moderator: The next question is from the line of Dhiraj Mistry from Antique.

Dhiraj Mistry: Sir, can you divide current quarter growth between average ticket size and the number of transactions?

Saurabh Kalra: We've already said that we do not divide. Normally, most of this growth is led by the consumers in terms of either frequency increase on new customers. That's what we have given as a guidance pretty much in the earlier question. So we don't give exact division of what is the difference. But in McDonald's, as I said, we only believe in growth coming out of a number of people visiting the restaurants. And if you look at the last five, six quarters and you look at the commentary we've given, pretty much all of that is led by the footfalls.

Dhiraj Mistry: Okay, okay. Just that question was related that we have seen in some of the other categories like pizza segment where consumers are down trading. I wanted to get sense whether we are witnessing same trend now because of inflation or general slowdown?

Saurabh Kalra: So obviously, like I said, we don't give this data. But if I look at it, there are 2 contradictory things which is happening in India as far as common knowledge is concerned. One is premium segment. The super premium segment is also growing very dramatically, and the entry level is having issues. So very counterintuitively what you just said. To be in food, the role of QSR lies in affordability. And yet there is an opportunity to premiumize on occasions.

I think whatever we have done is worked well for us. We've seen one full cycle of premiumization. I'm pretty happy with the results we got. I think we will need to now deliberately focus towards recruiting more customers on the back of affordability.

Dhiraj Mistry: Okay. Okay. Sir, second question is where are we placed in terms of introducing chicken menu -- fried chicken menu in the West regions?

Saurabh Kalra: Like I said earlier also, we would like to follow the consumer, right? So depending on the demands coming out of West and us being able to what is the incrementality, when the business case will make sense to us, when the consumers will be ready for it, you won't have to ask this question. But right now, the short question is it will remain in South for the near term for sure.

Dhiraj Mistry: Okay. And last question from my side. Is there any price hike taken during the quarter?

Saurabh Kalra: No.

Moderator: The next question is from the line of Gaurav Jogani: from Axis Capital.

Gaurav Jogani: Yes. So sir, my question again is with regards to the performance. Given that the demand was so challenging and you had multiple initiatives there as well in terms of the Shravan menu that you have launched. And if I remember it right, you earlier also launched the Jain menu, etcetera. So how did you know these initiatives not been there, what kind of an impact would you have seen? Just trying to gauge the intensity of the demand slowdown through this?

Management: Gaurav, unfortunately for us, too difficult if you start going into micro initiatives. To me, a lot of it is brand initiatives that there is a place in McDonald's for everybody. But businesses cannot be evaluated with micro segments being targeted and seeing growth in that. I think Shravan -- whether it was Shravan, it's not that we have done it this year. We'll do it almost every year. Maybe it was highlighted to you this year.

But whether it's Eid, whether it's Shravan, whether it's Gudi Padwa, there is always something on the other happening in the calendar so that we are a part of the community we are operating in. But overall, if I was to give you a brief gist, it's not because of us doing Jain menu or this that there is x growth, which has come.

Moderator: Well, as there are no further questions, I'd like to now hand the conference over to the management team for closing comments.

Amit Jatia: This is Amit Jatia. I want to thank everybody for taking the time to come on the call. We really appreciate it. Also, I would like to take this opportunity to wish everybody a very happy Diwali and festive season ahead. Thank you.

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

Disclaimer: Please note that this transcript has been edited to correct any inadvertent grammatical inaccuracies or language inconsistencies that may have occurred while speaking.