

A large, stylized leaf graphic in the top-left corner, composed of overlapping green, purple, and blue segments.

Westlife Development Ltd. Hardcastle Restaurants Pvt. Ltd.

Q1 FY2018 Earnings Update Aug 1, 2017

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Four Strategic Levers

Broadening Accessibility

- Growing the restaurant footprint
- Business unit economics
- Market planning

Growing Baseline Sales

- Value
- Menu
- Brand extensions
- Re-imaging & restaurant experience

Margin Expansion

- Gross Margin
- Operating leverage

Growth through People

- Training, learning & development

Key Messages for FY18

Growth remains
a key priority

Continued
focus on brand
extensions

Significant
menu
innovation &
platform based
approach

Drive
operational &
sustainable
profitability

Q1 FY2018 Results & Highlights



Total sales stand at INR 2,623.2 Mn; sales growth of 13.9%

Same store sales growth at 8.7%; highest SSG in last 8 consecutive positive quarters

Gross margins stable at 60.1% Y-o-Y

Op. EBITDA margins expansion of 90bps Y-o-Y to 5.6%

Achieved PAT of INR 2.2 Mn

Cash profit increased by 33.8% compared to Q1 FY17

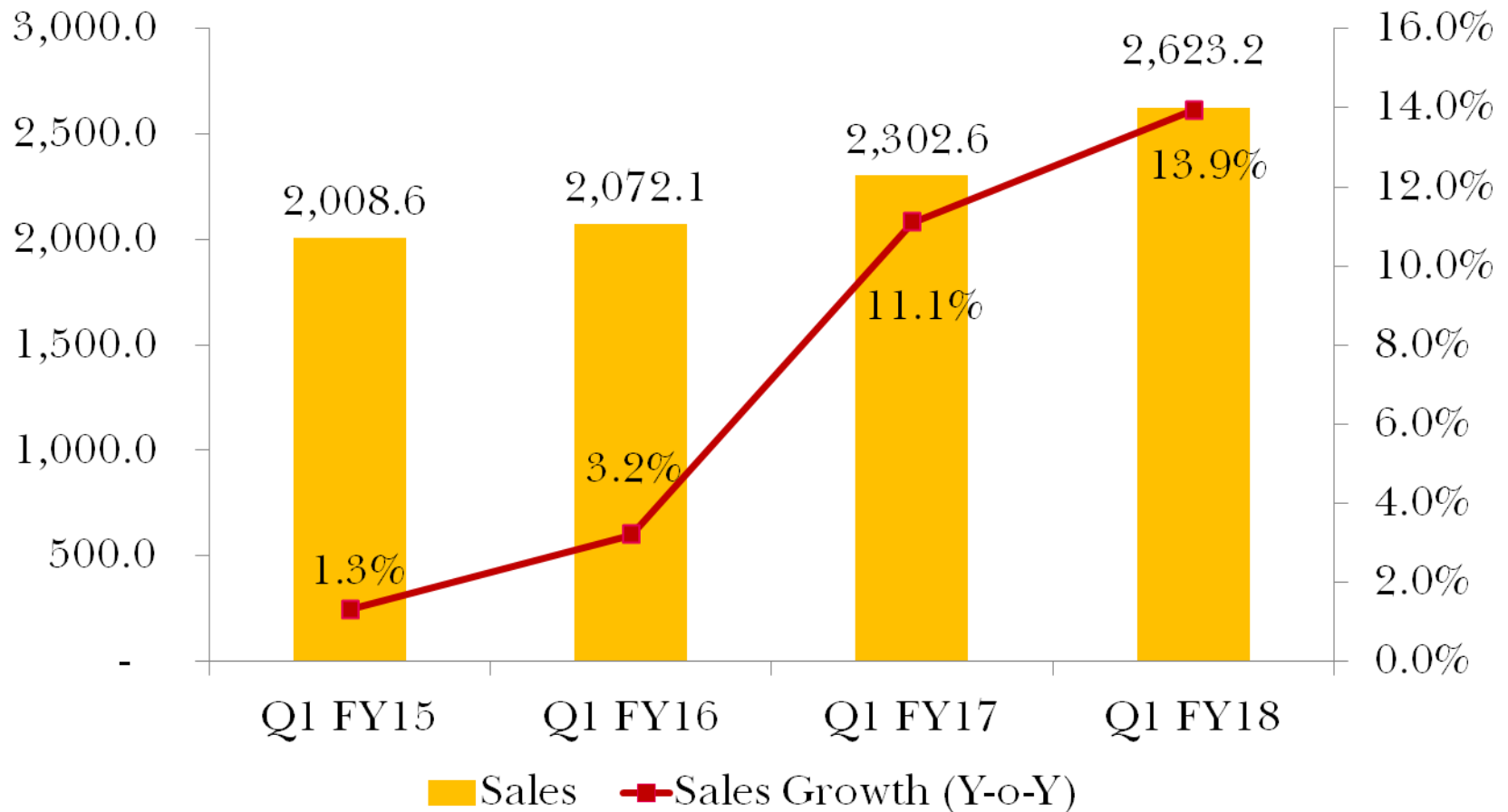
SALES GROWTH & DRIVERS

Same store sales growth trend



Consistent results driven by brand advertising, menu innovation & brand extensions

Organic Sales Growth



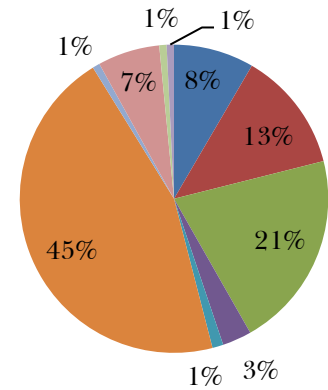
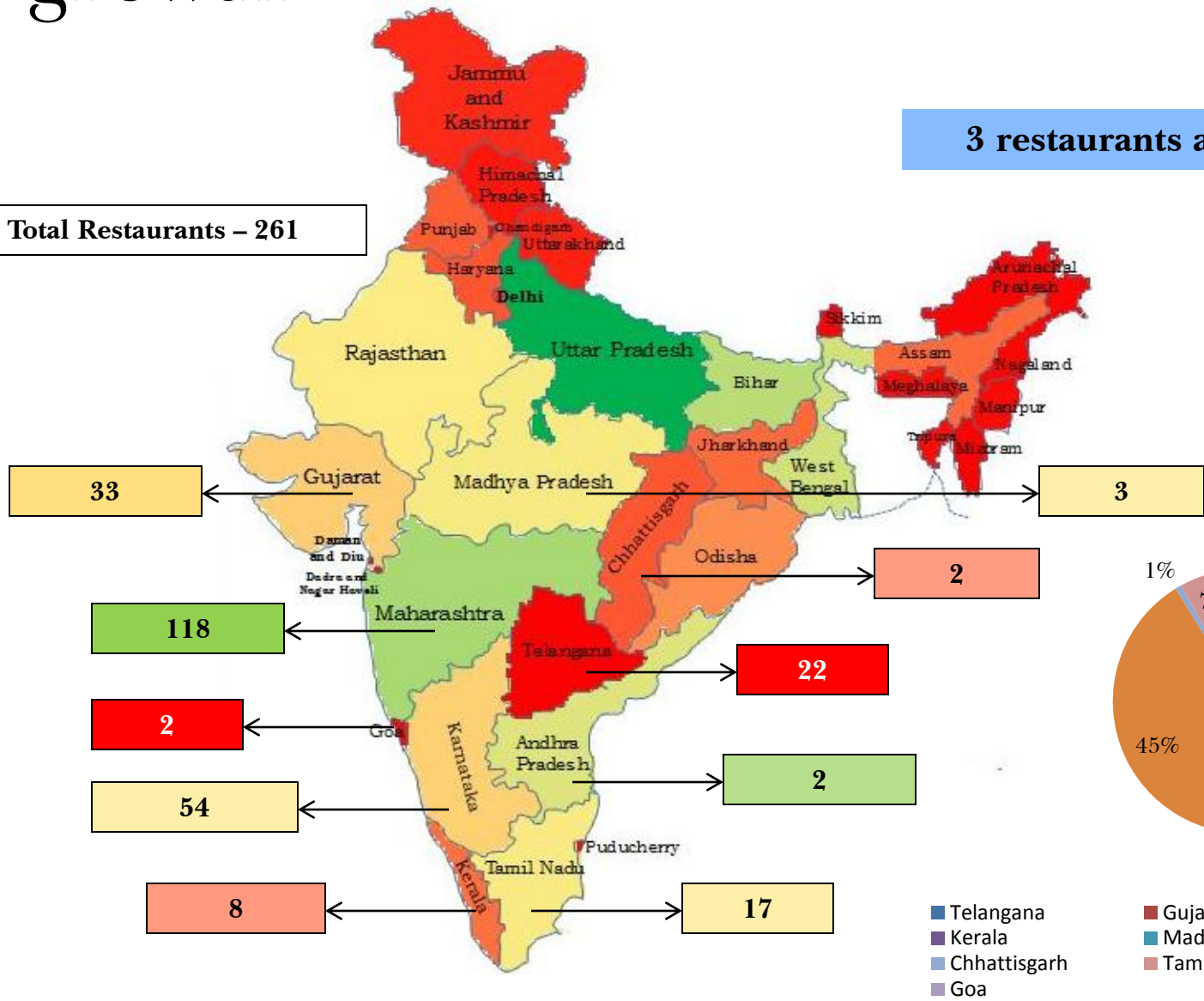
Figures in INR Mn

Restaurant footprint driving sales growth



3 restaurants added in Q1

Total Restaurants – 261



- Telangana
- Gujarat
- Karnataka
- Kerala
- Madhya Pradesh
- Maharashtra
- Chhattisgarh
- Tamil Nadu
- Andhra Pradesh
- Goa

Factors contributing to growth



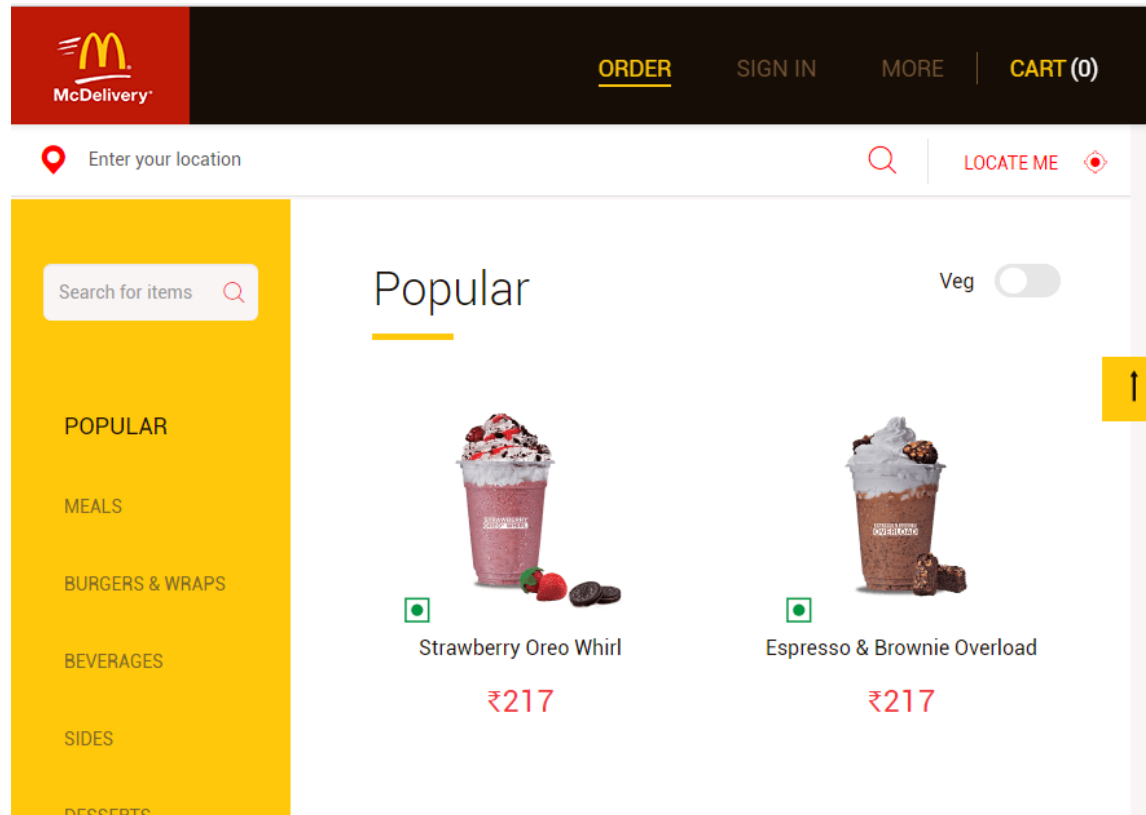
- 121 McCafé's as of Q1; added 10 McCafé's during the quarter
- On track to have 140-150 McCafé's by FY18E
- Continues to be robust sales & margin growth driver in existing restaurants



Factors contributing to growth



- Upgraded MDS website to offer ease of ordering & superior customer experience
- Significant growth engine for existing restaurants
- Tied-up with Zomato & Swiggy



Factors contributing to growth

Menu

- Innovation around 'everyday value' platform – introduced Happy Price Combos
- Introduction of new products like Chicken Kebab (Burger & Wrap)



FINANCIAL PERFORMANCE DISCUSSION

Financial performance summary



As per Ind-AS

INR Mn	Q1 FY18	Q1 FY17	Growth
Total Sales	2,623.2	2,302.6	13.9%

- Increase in sales largely led by
 - Higher same store sales growth aided by higher footfalls and contribution of brand extensions
 - Better performance of new restaurants

INR Mn	Q1 FY18	Q1 FY17
Gross Margins	1,577.2	1,384.7
% of Total Sales	60.1%	60.1%

- Gross margins stable primarily on account of
 - Better product mix management driven by McCafé, product line extensions & menu innovation driven by new value platform

Financial performance summary



As per Ind-AS

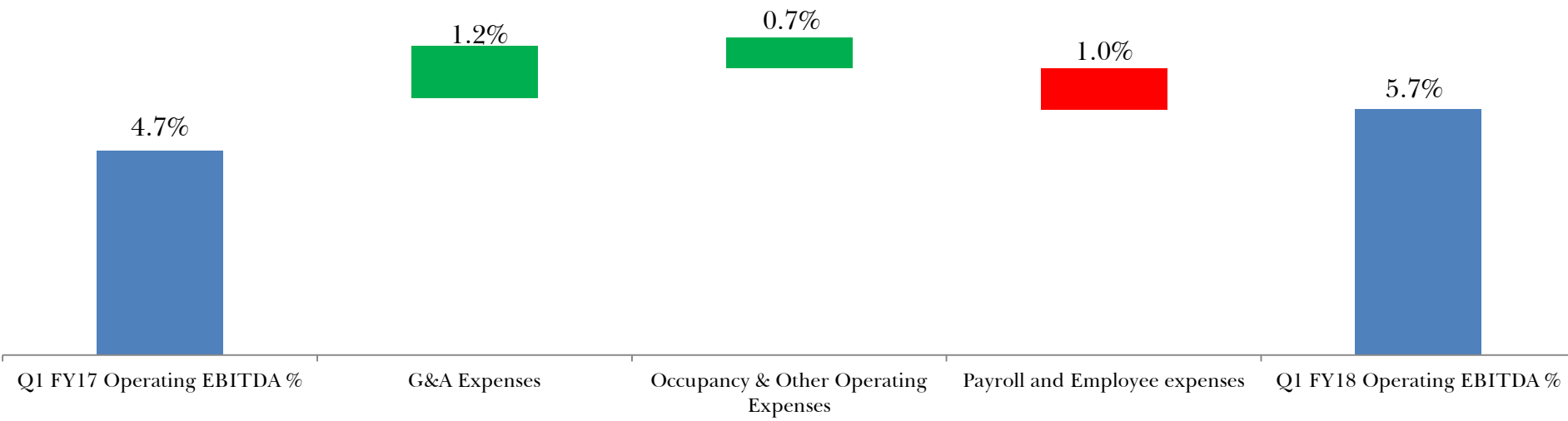
INR Mn	Q1 FY18	Q1 FY17	Growth
RoM	270.2	244.2	10.6%
% of Total Sales	10.3%	10.6%	

- Restaurant operating margins (RoM) impacted due to
 - Higher payroll & employee expenses due to minimum wage impact
 - Partially offset by stable gross margins & ROP 2.0 led efficiencies across utilities expenses

INR Mn	Q1 FY18	Q1 FY17	Growth
Op. EBITDA	148.0	109.1	35.6%
% of Total Sales	5.6%	4.7%	

- Operating EBITDA margins expanded on account of
 - Lower G&A costs & related leverage

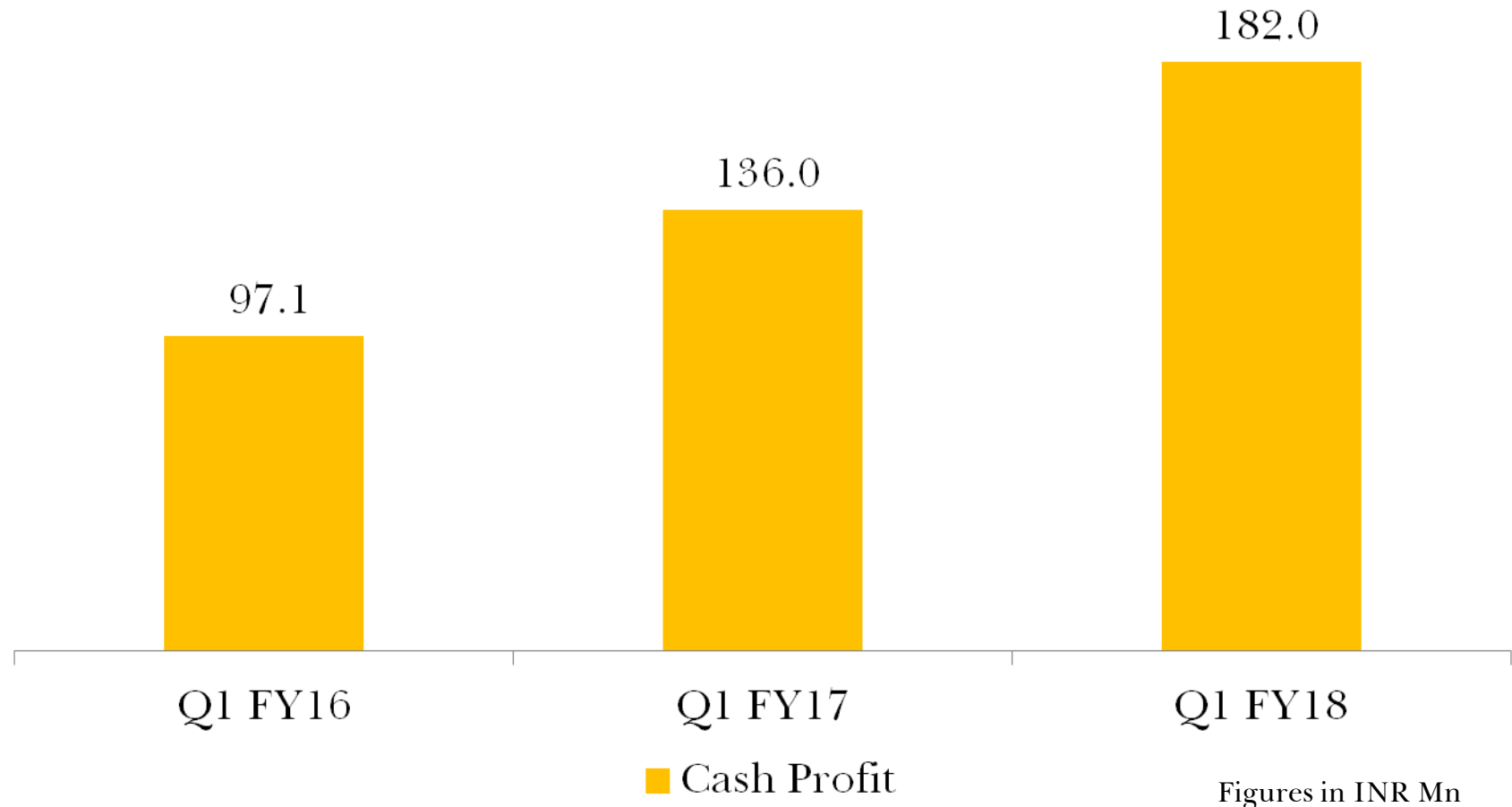
Operating EBITDA bridge



Improvement in cash-profit generation every quarter



Almost doubled the cash-profit in last 24 months



Agenda for FY18 & beyond



Sales Growth

- Add 25-30 restaurants in FY18
- Brand extensions penetration to persist; remains key lever
- Menu innovation & brand differentiation to continue

Profitability

- SSG to aid operating margin expansion
- Sharper focus remains on profitable growth
- ROP 2.0 restaurants continue to make encouraging progress
- Optimizing opportunity via continuous evaluation of restaurant portfolio

Committed to generate significant shareholder returns

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