



May 22, 2023

**BSE Limited**  
**Corporate Relations Department**  
Phiroze Jeejeeboy Towers  
Dalal Street, Fort,  
Mumbai- 400 001  
**Scrip Code: 543248**

**National Stock Exchange of India Limited**  
**Listing Department**  
Exchange Plaza, 5<sup>th</sup> Floor, Plot no. C/1,  
G Block, Bandra Kurla Complex, Bandra (E)  
Mumbai- 400 051  
**SYMBOL: RBA**

**Sub.: Investor/ Analyst Call Transcript**

**Ref.: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations')**

Dear Sir/ Madam,

Pursuant to the aforesaid SEBI Listing Regulations, please find enclosed the transcript of the Investor/ Analyst call w.r.t. the Audited Financial Results of the Company for the quarter and financial year ended March 31, 2023, held on May 18, 2023 at 11:00 a.m. IST as **Annexure A**.

The same is being made available on the website of the Company viz. [www.burgerking.in](http://www.burgerking.in).

You are requested to take note of the same and disseminate to all concerned.

Thanking You,

**For Restaurant Brands Asia Limited**  
(Formerly Known as Burger King India Limited)

**Madhulika Rawat**  
**Company Secretary and Compliance Officer**  
**Membership No.: F8765**

**restaurant brands asia limited**

(Formerly known as Burger King India Limited)



“Restaurant Brands Asia  
Q4 FY2023 Earnings Conference Call”

May 18, 2023



**ANALYST:**                      **MR. NIHAL JHAM – NUVAMA INSTITUTIONAL  
EQUITIES**



*Restaurant Brands Asia*  
*May 18, 2023*

**MANAGEMENT:**

**MR. RAJEEV VARMAN – WHOLE-TIME DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER – RESTAURANT BRANDS ASIA LIMITED**

**MR. SANDEEP DEY – BRAND PRESIDENT – INDONESIA – RESTAURANT BRANDS ASIA LIMITED**

**MR. SUMIT ZAVERI – GROUP CHIEF FINANCIAL OFFICER & CHIEF BUSINESS OFFICER – RESTAURANT BRANDS ASIA LIMITED**

**MR. KAPIL GROVER – CHIEF MARKETING OFFICER – RESTAURANT BRANDS ASIA LIMITED**

**MR. PRASHANT DESAI – HEAD OF STRATEGY & INVESTOR RELATIONS – RESTAURANT BRANDS ASIA LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Restaurant Brands Asia Q4 FY2023 Earnings Conference Call hosted by Nuvama Institutional Equities. 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 “\*” then “0” on your touchtone phone. I now hand the conference over to Mr. Nihal Jham from Nuvama Institutional Equities. Thank you and over to you sir!

**Nihal Jham:** Thank you Vikram. On behalf of Nuvama, I would like to welcome you all to the Q4 FY2023 and FY2023 Earning Conference Call of Restaurant Brands Asia. From the management today, we have Mr. Rajeev Varman, Whole Time Director and Group CEO, Mr. Sandeep Dey, Brand President, Indonesia, Mr. Sumit Zaveri, Group CFO and Chief Business Officer, Mr. Kapil Grover, Chief Marketing Officer and Mr. Prashant Desai, Head of Strategy and IR. I would now like to hand over the call to Mr. Rajeev Varman for his opening remarks. Over to you Raj!

**Rajeev Varman:** Good morning to everyone. So as promised we have got Sandeep joining in from Indonesia. Good morning to you Sandeep as well. Good afternoon by this time right. Welcome to the call. I will give a very quick summary first on India and then on Indonesia and after that we will hand it over to Sumit to go over the finance and over to Kapil to go over the marketing and then Sandeep to go over Indonesia.

So, with that said, let me just quickly get you on the India business. India business we had a good year. If you look at revenues, we were up both in total revenues as well as in SSLG. Gross profit margins we were up. Restaurant level EBITDA we were up. Company level EBITDA we were up, so we were basically a positive kind of a P&L and a positive kind of a growth story for India. So let me start with first revenues. FY2023 Rs.14,397 versus FY2022 which was Rs.9437 which is a growth of 52.6%. That included a SSSG of 43.1% and if you look at the Q4 numbers, Q4 FY2023 we had a Rs.3649 million that was versus FY2022 which was Rs.2687 million again a growth of 35.8% which includes SSG of 8.3%. Also, the net restaurant growth was 76 which included some closures and some openings, and I will come to that in a minute. Our gross margin again FY2023 we went to 66.4% that was against 65.8% from the previous year which is a 60-basis points improvement. Maintained 66.4% in Q4 in terms of quarter over quarter in gross margins so that is despite all inflation that was there in that quarter and now we are happy that inflation is going in the downwards direction and you will find our outlook in the future today towards the end of the call.

Going to restaurant level EBITDA and I am giving you post Ind-As numbers and Sumit will then give you pre Ind-As numbers when he goes into the P&L as well so let us start with FY2023 restaurant level EBITDA which is Rs.2483 million, 17.3% versus FY2022 which is at Rs.1528 million which is 16.2% so another 110 basis points improvement on there. Q4 FY2023 Rs.666 million that is 18.3% versus Q4 of FY2022, which is at 478 another 50 basis points improvement

here and finally the company EBITDA again post Ind-As numbers here FY2023 Rs.1654 million which is 11.5% against FY2022 which is 902 which is 9.6%, 190 basis points improvement here and then Q4 this ending quarter FY2023 we are Rs.423 million which is 11.6% against the Q4 FY2022 which was at 302 again 11.3 which is 30 basis points improvement so as I highlighted improved revenues, improved gross margins, improved restaurant EBITDA and improved company EBITDA.

Now just on the growth side, so we ended March 31, 2023, with 391 restaurants. Great work was done by our development team there. We opened 88 restaurants and then we were optimizing our old portfolio and we closed 12 restaurants that were not profitable and did not have a growth potential, giving us a net of 76. 15 restaurants are now under construction as we speak and 38 are in the pipeline so the growth story continues. BK Café which is story we started towards the beginning of FY2022 that we have built 275 BK Cafés that are operating. We continue to build BK Cafés as we build new restaurants were appropriate where we see the potential to do those. They are kind of integrated into our development plan as we build restaurants. BK Café again Kapil will talk a little more about this but wonderful job. BK app revenues grew 327% year over year 6.2 million apps installed, 107 growth over the last years installed so some progress on that side as well. We believe that we will continue to spend on the app, and we will continue to build that business over time and continue to work with our aggregate partners as well to continue servicing our consumers both on dine in as well as delivery.

Just a quick note on Indonesia business summary. Again, here we had improvements in revenues. We had improvement in gross margins despite all the inflation in Indonesia in the past couple of quarters. We continue to improve on gross margins. We had a little sub result on our company EBITDA and we will talk to that I think Sumit will spend some time talking about the launch of Popeye's and how that kind of do some investment and also investment in what we call back to basics which Sandeep will speak about when he gets into his section, but a lot of good investment was made in Indonesia. We are seeing some positive results. We continue to believe this is a very strong business that the foundations have been laid and I will talk in a moment. Store count is 186 over here as of March 31, 2023. Revenues and these are in IDR. IDR is Indonesian Rupiah. FY2023, we had IDR 1153 billion and that was FY2022 which is IDR 1052 billion and 9.5% improvement. Q4 FY2023 IDR 276 billion versus Q4 of FY2022 which is 249 billion grew another 10.5% on top of that. We have the gross margin improvement numbers. Sumit will address that. There was as gross margin improvement as well that we were able to achieve. Actually, I will share that number with you. The gross margin moved up to 58% versus the previous year of 56.3%. I am talking about the Burger King portion of the business not including Popeye which has just rolled.

So, with that said let me just speak a little bit about our business in Indonesia and then Sandeep who will become regular part of this call he will give you substantially a little more details into the Indonesian business. So first of all, we shared with you last call that we had launched Popeye

Indonesia. Today in Indonesia we have a 10 very healthy stores which are doing fantastic sales almost two and a half to three times the volume of the Burger King business that we have over there which we are getting back in par. Not only that but again as I told last time this was a record launch for Popeye's globally and Sandeep and this team have done a phenomenal job launching that brand over there and we are at 10 stores and we are going to build additional stores and move towards 25 to 30 stores towards the end of this year and this will become a significant profitable business currently doing restaurant level EBITDAs in very high teens so good job there Sandeep and you will talk more about this on your section.

Now just coming down to what the pillars were. What are we doing in Indonesia or why are we so excited about Indonesia. So first of all we took this business and when we took this business we wanted to obviously lay the foundation for the next five to 10 years how we are going to build this business and how we are going to move this business forward so Burger King as a name says burger and king right so we wanted to make sure that we took the product line on the burgers. We tested the product line versus competition. We found gaps in those in terms of both affordability, likeness, taste and so forth. Sandeep was an expert in NPD as well and expert on the supply chain as well. He did a fantastic job over the last six to eight months in establishing each and every product line was taken from scores and he can share the scores with you but tremendous improvement on our burger line, tremendous taste improvement, tremendous consideration and affordability and likability of these products so we have now finished that process. It was completed between October and December of this year. All products have been completed. All products have been tested. All products are now rolled into our restaurants.

Second, we spoke about this I think about eight months ago or nine months ago when we were on the phone with you guys that there was a significant gap between our business over there and the industry standard which was chicken. We were not offering chicken, or we were not building that portion of the business which is a strong business in Indonesia. In fact, I think it is a staple food over there rice and chicken and we were offering one chicken offering which also in a test showed that there was a gap between what the industry standard was and where we were so that again just completed this month. In fact, Sandeep will talk to you about how we are taking that into the market. We have completed. We have got now two versions of the chicken. We have a classic version and a spicy version of the chicken. This is standard. All other players have it. We think that about 60% to 70% of the industry sales are in this chicken area and so we will start building this. In fact, Sandeep will share with you the excitement about our rollout of this product. It is already rolled out by the way but the communication portion of this fill will come in the future day so I spoke about burgers and chicken which was done by me May 2023. Then we had a gap in desserts and this Indonesia is a major desert market. There is a substantial amount of liking and purchase of desserts in the QSR space, and we have now built a substantial menu. Thanks to all the work our CMO over there Namita has done, and she has built a fantastic dessert menu as well which in February 2023 was put into the restaurant. By the way guys all these things initiatives we are not started communication yet. We have just put these things in, and we

are seeing that 10%. The other numbers I shared with you is all coming off just local communication at the restaurant level. Media investment will start in June and then we will start talking about all these improvements moving forward.

The last piece which is my favorite piece which is a piece that is relevant strong makes sense for both markets which is India and Indonesia which is value. Both countries are driven by value. Both countries continue to have a very strong consumer following under the name value. We have fixed both quality, taste of products there and now we are going through to push this onto media investment where we will be communicating a value proposition to bring people into start trying the product, so this is basically the strategy that we communicated to you months ago and quarters ago. Today I am happy to say that 80% of this strategy is already in place. The media event and media communication will start, and we will start building this business and we will share our exciting results in quarters to come. With that said, I will turn it now over to Sumit who will carry you through the India first and then the Indonesia financials and how we have performed in all on the area so over to you Sumit.

**Sumit Zaveri:**

Thank you Raj. The way I will try and do is to kind of cover through some of the strategies that we have always been following and how we have performed through this year and the way we see each of these emerging in the coming year as well. We were always focused on growth part of our business and keeping that very strongly is one of our pillars. We have grown and opened 88 new stores. At the same time we want to be mindful that we do not carry stores that are underperforming and hence we had to shut down 12 and the net is 76 ended the year at 391. We would continue on this growth journey, and we intend to get to around 450 stores as we get towards the end of FY2024 so that journey of growth continues and obviously it will be responsible growth.

As far as the revenue is concerned, I am on slide 10 of our presentation. We grew from Rs.940 Crores to almost close to Rs.1440 Crores a growth of 53% lead by a strong portfolio level EDS moving up from 100 to 180 for the year and then as I explained the balance part of the growth is coming for on account of the new stores that we added during the year and the animalization of the stores that we opened the previous year and between the two years now we have almost added 125 stores plus to this portfolio. The second part of the pillar which we have always been talking and I am still on slide 10 talking about dine-in. We have always been saying that our focus is going to improve the dine-in share of the business because that is where we believe the customer experience is at its best. We have been able to move the needle by 9% which is a potential shift that we have done from 49% to 58%. When Kapil talks about some of the initiatives that we are working on we believe that we will be able to further shift this needle more towards dine-in as we go along so that journey that we had embarked upon with a very strong confidence on it seems to now starting to play out for us. As far as store level EBITDA is concerned for the full year we moved by 3% point from 5.2% to 8.3%. Part of it was led by gross profit at 66.4%. We have been able to kind of throughout these years all of you were stacking us

on a quarter-on-a-quarter basis you would realize that we have been able to maintain the gross profit margins at a very steady state of 66.46% a 3.5% range throughout the years by various initiatives that we took and could offset the impact of inflation that we have seen to make sure that there is no variability that comes to a margin plane so that is something which we have been able to do that. Having said that with all the challenges that we have seen in the past we strongly believe that we should be able to improve on to this number as we get into FY2024 and as we get to the guidance part later you would see that we have taken an improvement on that part of the portfolio. Apart from gross profits some of the initiatives that we continue to work to improve efficiencies gives me some results in Q3 and Q4 and if you really look at the kind of spends that we have been incurring on month basis or quarter basis if you see there is a very clear shift in some of the fixed cost lines like labor, utilities and all that you would see and as we are able to improve the sales going forward we should start seeing the benefits of that going forward flowing down into our store EBITDA as well so for the years at the company EBITDA level we were at 2.5% with cash generation of Rs.36 Crores. Having said that and I am going on to slide number 14 and talk a little bit about Indonesia. Indonesia, we did an EDS of 17 million IDR in Burger King as again 16 billion IDR marginal improvement. We have kept the portfolio at 176 stores as far as Indonesia is concerned. On the BK side our focus is going to be to kind of get the business back to cash break even which is what we are going to work towards there. Now through the year we have made certain investments which obviously are reflecting in our company EBITDA and the number does seem large but there are good amount of investments that we have already done through the years and I will just kind of call out some of the investments that are getting reflected in our numbers as we see. One is we launched the brand Popeye in Indonesia towards the later part of the year and spends in order to launch the brand which stands at almost from Rs.6 Crores to Rs.7 Crores is something which we have kind of put there and we have had a very strong successful brand launch and Sandeep will talk about it. We expect that brand should do high teens in terms of store level EBITDA as we kind of see the performance in FY2024 and start seeing meaningful numbers coming out of that brand. Apart from that we had made sure that the stores start looking better and inviting as far as the customer is concerned so we had put money behind getting those stores back in shape. We have kind of worked towards making sure that the stores are operational for the hour that the customer wants us to be operational and hence effectively also took cause in terms of the availability of people to service the customer throughout the period so these are some of the big things that we have kind of already put in place. Product development which Sandeep will talk about so we have literally got to through the year to make sure that we are ready to roar into FY2024 with all the things that we have already put money behind. We have taken the beating if I may say but ready to kind of kind of make sure that from here to be able to get to cash in FY2024 so that is where we stand as far as Indonesia is concerned. Obviously because we are still working towards getting to cash break even the consolidated company EBITDA did see a negative Rs.60 Crores which we have kind of put as money that we required to put in Indonesia to bring that market back to shape. As Raj said we strongly feel that is a very strong market with a very strong consumer base on the burger side as well as on the chicken side and with those two brands we should be able to achieve and report



very strong performance in India as well as in Indonesia so over to Kapil to take us through the marketing update there and talk about a little bit of some of the things that we are working on for next year well.

**Kapil Grover:**

Thanks. Thanks Sumit and good morning, everyone. I will start with slide number 17. Slide number 17 as Raj mentioned and Sumit mentioned it talks about a continuous focus in growing top line and specifically dine-in traffic on the back of value programs, so we shared with you in the past the stunner campaign with an affordable veg and non-veg menu. We continue to drive that while we started testing an extension of the same items with a new need proposition starting at 99. Now this program was tested in about 80 odd stores. We saw some very good early reads on dine-in traffic and our consumers really liked the idea of getting a full affordable filling meal at a very attractive price point. We have since then scaled up the promotion. Early days but we are seeing very good traction on the same. On slide number 18 while we have spoken to you about this kind of value menu, and we told you about the campaign that went viral. Very happy to share that the social media campaign has won a silver award at the Clío International Awards which is next only to Cams and this is our first win on the global platform. Now slide number 19 talks about how we continue to balance the barbell strategy on our menu. Last year we launched the kings collection menu with some very credible products built on a very strong consumer insights and it has had the ingredients like very high quality paneer, cheese which are premium for our vegetarian guests and also grilled and fried chicken burgers for our non-veg dining guests and we will continue invent all into the menu and offer great value for money to our guests.

Slide 20 talks about our flagship product so we continue to strengthen it with a string of limited time products. Last quarter was an Indian inspired variant called the indie tikka whopper which did very well for us. An Indian business with the veg chicken and the mutton whopper the three variants which are designed specifically for Indian guests continues to be amongst the highest whopper selling markets in the Burger King world.

The next slide is an initiative that we are very happy and humbled to share that we are one of the first brands to recognize how important it is for our guests to get options of 100% veg, no onion, no garlic menu in certain religious towns or during their pilgrimages and we have just share some pictures of 100% veg restaurant that serves no onion and no garlic menu on the Vaishno Devi Pilgrimage.

Slide 22 talks about our continuous efforts to build a youthful brand with stocks and engages with Gen Z and millennials so we make sure we are part of topical conversations like cricket whether it is any event that is happening in India or international, Indian festivals like Diwali, international events like Halloween, moments like big movie releases and other events like Mother's Day and so on and we continue to engage and talk the language. I know that is our guests to understand and that they connect with it. The PK Café on slide 23 is one of our most recent additions to the business and the menu. It continues to expand in footprint and is now

available at 275 locations. Now obviously the task is to build awareness and we have been engaging a lot of social media influencers to help get the word out and as of last quarter we had reached out to almost 15 million of their followers by a very targeted store-based content building awareness about the fact that we now have café options available.

Lastly in addition to the clear word, the brand has won about 20 plus other marketing product innovation and digital recognitions in India so in a nutshell a strong value strategy, lot of innovations across the menu especially the premier men with kings collections and limited time whoppers, a new café expansion and a brand that is continuing to build relevance in India with the consumers. Now I will hand it over to Sandeep to talk you through some of the key initiatives in Indonesia.

**Sandeep Dey:**

Thank you Kapil and once again a very, very good morning to all of you. See you heard Raj talking about our single-minded objective right. The single minded objective of building back this business into a profitable company and he also spoke about the mode of ground we covered in the last few quarters on our key strategic growth pillars so in the next few minutes I am going to share a little bit details about some of the strategic pillars but before I do that let me share the work we have done in strengthening our foundation so that we could deliver consistently a best in class guest experience every single day.

I am on slide number 27. What we have done is we looked into every single aspect of our business which impacts guest experience and launched a companywide cross functional project called back to basics. The first thing we did was rationalize a lot of products which were not selling at all so it helped us not only eliminate lot of SKUs but also made the supply chain and operations much more efficient. By the way in that process, we also made our menu board completely uncluttered and it kind of helps our guests navigate through the menu board and make their choices much more conveniently. Then we took most of our core products as Raj said took it to consumers, got them tasted, captured their feedback, identify those improvement areas and recreated them based on those feedbacks and got them validated once again to the extensive consumer research process and through that process we created our winning products. We created our winning menu. Also at the power of back to basics we have gone from store to store and checked every single piece of equipment to ensure that they are all fully calibrated and are in perfect working conditions. We also carried out an extensive training program for 100% of our operators and 100% of our crew members to make sure that they are retrained on products, bills and so on and so forth so that they are fully ready to deliver and create customer experience right. Now once we strengthened our foundation, we then started implementing all our strategic initiatives.

So, I am moving on to the next slide now. Our first priority was to build burger leadership and build that burger leadership through base creditability, with flavor innovations and build that equity through whopper. We actually took our whoppers, took it to consumer and developed a

new whopper build based on Indonesian consumers preference and based on talents right and I am happy to share the taste scores are significantly better than the previous whopper. In fact, in terms of product preference or product ranking it is scored 77% compared to 23% of the old classic whopper build. We also at the same time developed a premium layer for gold connection which to me probably is undoubtedly the best testing change here. These are pure test intelligence and at the same time quite affordable prices. They also, by the way not only got great taste scores but also fantastic value for money scores and over a period of time we believe strongly that this whole collection layer will also help us in building our burger superiority in the overall QSR landscape.

Now I am moving to the next slide which is slide number 29. See while we were studying the market we also understood and Raj also mentioned that this is the market where fried chicken is kind of a staple food and there are two kinds of fried chicken consumers the classic non spicy consumers like kids and people who cannot handle too much of spice and then there are spicy levels as well and all brands by the way offer two kinds of chicken spicy and the non spicy business BK we had only one type of chicken and that came out as a big opportunity area to bridge that gap and build a comprehensive bone and chicken wings so again we followed the process, we did a lot of work, created multiple options, multiple iterations and followed the same exhaustive process of consumer validation and eventually came up with two winning products the spicy and the non spicy. Both these products scored great taste scores, great money scores, and also performed well in the competition products. We are quite satisfied with these products we created, and we want as many guests to try our products and hence we actually launched just about a week back these two products at an extremely attractive price of 25,000 for a piece of chicken rice and a drink just for the perspective. It was almost about 30% cheaper than the next available pricing in the market. We also have an extremely strong 360-degree marketing campaign in place which includes TV, it includes social, digital, mall manning, and outdoor basically a comprehensive plan in place and that will be alive and kicking in the next few days' time.

The last strategic pillar I am going to talk about is building a strong desert portfolio. Also when you are selling in the market we learn that Indonesia is a market where consumption of desert is very high and there are many brands by the way local as well as chain international brands who are doing fantastic business on this particular category and that became an opportunity area for us to build, innovative, tasty and yet affordable deserts so we partnered with our desert partner Nestle and launched our first branded desert call kitkat fusion and by the way we launched at quite affordable pricing of 16,000 and then it is a phenomenal business. We sold almost three times a volume and it is very high incidence and as a part of our ongoing strategy we have very strong pipeline to launch innovative and affordable desserts throughout the year so that is all from my side on the Indonesia business and I now hand it back to Sumit.

**Sumit Zaveri:** Thank Sandeep. I will just quickly share the outlook and then open up for questions from the participants. As we have continued our growth journey, we intend to get to 450 by FY2024 and then as we have always been talking about 700 stores by December 2026 there is now are FY2027 target plans. As far as efficiency is concerned on the back of some of the initiatives that Kapil spoke about we are taking a target of 10% SSG regrowth from where we stand or when we ended FY2024 to be and then we believe that with the initiatives that we have we should be able to get to an accessory growth of 8% thereafter year-on-year on year. Our gross profit on the back of really a strong performance and being able to sustain the gross margins at 66.5% range through the year we are speaking a target of 67% of gross profits for the year and then improve it by further 2% over the next few years. Indonesia our target for FY2024 effectively is to get to cash breakeven. We would not look at growth as far as Burger King is concerned but we will continue to invest behind Popeye and we intend to get to our 25 stores by March of 2023 as far as Popeye is concerned and then as we get to 700 stores in India and Indonesia between both the brands we should be able to get to 325 stores and that is when we would be coughing the number of thousand stores at the business level over the next three years and these are basically the broad guidelines that we are working towards as a team. I would now open up for the questions from the participants.

**Rajeev Varman:** I would request the chorus call guys to extend the call by about 15 minutes given that we are already 35 minutes into the call. It will give you guys more time to ask us questions. Thank you.

**Moderator:** Sure Sir. Thank you very much. Ladies and gentlemen, we will now begin the question-and-answer session. We take our first question from the line of Shirish Pardeshi from Centrum Broking. Please go ahead.

**Shirish Pardeshi:** Yes, good morning Mr. Rajeev and team. Thanks for the opportunity and hearty congratulations for walking the talk. Two things if I note from the India perspective you mentioned that on slide 11 the cost is one of the elements which you are working very closely? Could you be able to help us to say that these all initiative despite the inflation which is hitting very hard and we still see that inflation is not completely subsided though we see that inflation will subside but in FY2023 what is the cost element has driven in terms of efficiency extraction in terms of gross margin maybe if you can elaborate little more and what is it that target you are holding for in FY2024?

**Rajeev Varman:** Thank you for your question. I am going to give you a brief outlook and then I will turn it over to Sumit. See we just shared with you, or Kapil shared with you a very aggressive promotion that we are going forward with which is now on television. It is pasted all across the country which is the Rs.99 meal right. Despite that Rs.99 meal our outlook which was just shared by Sumit so next year is to improve gross margin to 67 right so how we are going to do this so as you recall we just shared with you that we built net 76 new restaurants this last year. We continue to get that total up to 450. This year so we have two elements that will be just automatic. One is buying because are buying quantities continue to increase and hence we continue to drive prices down as

the buying quantities increase because this is substantial growth in a portfolio and second is our transportation cost continues to decrease as we put more and more stores into existing markets where there is may be two or three stores today and go to five or six stores and transportation costs over there goes down. On the company level side, you will find that we are kind of put this structure in place which is now a long term for the next five to 10 years is a stable structure. We do not see adding any additional department or any additional leadership role. They will be small under the leadership some changes here and there in terms of GNA so we see that GNA is kind of a fixed cost that is going to kind of stay there and probably go towards somewhere between 4% to 5% in the future so those are the advantages you will start seeing in the P&L. You will also see a massive positive impact on rent line because as the volumes go up so there are two components to rent. There is a fixed component and a variable component. The variable component of rent will continue to kind of be whatever percentage towards their total top line growth but the fixed rents in this and there are several restaurants with just fixed rents. That fixed percentage keeps going down as the volumes increase and that will also add on to the P&L volumes so those are the major kind of strings, and I will turn it over to Sumit if he wants to add anything to this.

**Sumit Zaveri:**

No just a couple of points I would add to that, so Raj has already covered the growth margin and the rental piece. There are two other lines which we are very actively working on to kind of make sure that we are able to bring efficiencies. One is the utility line, a line which sees the maximum of inflation and that is where we have now kind of started working with internally as well as taking apart from some external consultants as well to be able to identify opportunity to bring the reduction in consumption and the results have shown positive signs so we should be able to kind of work towards building kind of beating the inflation there as we kind of build efficiencies in that line and the second one is when we make some investments on the application side on the backing to be able to very closely monitor the way we budget or plan our people cost at the store level and that is where we will also see some efficiencies to come in as compared to what we have seen last year. Secondly last year in Q2 as you would remember that we made some investments now that has now started to stabilize, and we have seen the first month's cost per labor to stabilize downwards on a quarter-on-quarter basis. If you just plot that number, you will realize that we have only been spending lower in Q3 cost as compared to the previous quarters and this we will now take the benefits into layers into FY2024.

**Shirish Pardeshi:**

That is really helpful, Sumit. Two followup here when you say that we will reach towards 67% gross margin I see that there is a lot of stress across India and even in Indonesia? We have spoken that there is a media investment which is there so would you be able to help me with two questions one is what is the FY2023 the media and ad spends we have incurred and maybe that number how it looked like in 2024 and second would you be able to help us to say that from 11.5% and 11.6% EBITDA can we build a 12.5% to 13% or we should look at in the medium term about 11% and then build 11.7% to 11.8% so maybe some color if you can add?

**Prashant Desai:** Shirish, Prashant here our media spend marking is governed by our MFDA which has been at 5% and it will continue to remain at 5% that is true for most of the QRS in the country. As far as your second question is concerned so you may see a little bit of a higher media spend in Indonesia but otherwise we will try to kind of keep this at about 5% so as you know from the time that we have gone public we have reframed from giving kind of a guidance in terms of our restaurants EBITDA and company revenue EBITDA but if you are looking for a direction I think Raj kind of eluded this and if you broadly look at it and this is something that we have been consistently communicating in our one-on-one meeting with our investors and analysts alike some part of our business and the costs are very directly linked to our ADS. Unfortunately for the sector as a whole this quarter was a softer quarter in terms of the ADS. We are seeing grassroots of recovery. The quarter also met with a lot of inflationary pressure which also we are now seeing signs of that abetting so if you put all these things into perspective assuming that if Sumit is talking about 10% same store guidance we ended at FY2023 at about 118,000 of ADS, add 10% to this and if you then do your math you will see it directionally we will be North of where you are but as I said we do not like to guide this but directionally you will see a significantly improved FY2024 here.

**Rajeev Varman:** And just to add to what Prashant just said see while we continue to spend 5% if you appreciate in FY2022 our total sales was around Rs.9437 million. Now that has gone up by 5% of the total revenues, the total money available continues to grow and that is why you will find our company that did only maybe four or five weeks in advertisement on television grew to 20 weeks, grew to 30 weeks continue to be able to do more and more of advertisement whether it is on television out of home so this thing will continue to grow in terms of volume of communication. The impact to the P&L will be exactly the same because we do not go beyond that 5%. We have gone in the past when we are not public but as a company today, we have substantial amount of money within that 5% to continue promoting our restaurants so I hope between myself and Prashant we kind of addressed both those questions of yours but thank you. It is very much for your questions.

**Shirish Pardeshi:** Yes, I just have a last question thank you Rajeev for the detailed explanation. When I look at the competition and primarily from McDonald because McDonald is also putting a lot of focus on India market, and they have revived the Northern business also and everybody is talking about getting the piece of sales in the market? Now that is one part. The national competition is evolving and second in the local competition was always there. They are not from direct from the burgers or pizzas or KFCs but there is also a new development which is happening from the likes of chicken sandwich and other things so I am just trying to draw your attention do you think this competition will remain benign or stable or it is increasing or do you expect some disruptions not directly from the chicken or burger format but in direct format?

**Prashant Desai:** Shirish I will quickly answer that then we will move on to the next. Ever since we started business, the team's view has always been, and we have viewed every single cuisine as competition not just competition from a category standpoint. The category standpoint it is as of

now a monopoly kind of an environment. People will try to get in because it is attractive proposition but every guidance that we have given has been given keeping in mind all the factors that you mentioned.

**Shirish Pardeshi:** Thank you.

**Moderator:** Thank you. We take the next question from the line of Harsh Shah from Dimensional Securities. Please go ahead.

**Harsh Shah:** Good morning, Sir. Sir, I just wanted to understand that the ADS has been lingering at around 1,15,000 to 1,18,000? We peaked at 1,27,000 couple of quarters back but we are down back to 110 and 112 so just wanted to understand what will drive this incremental ADS because we are taking a lot of initiatives that are stunner and value menu and we are also adding a lot of cafes and one year down the line we will have nearly 250 cafes which will be a year old so just wanted to understand that how will this ADS pan out over next couple of years?

**Kapil Grover:** This is Kapil. I will take this question. See part of what you see in the trend is seasonality yes this quarter is all the school holidays, middle of the year which is very high seasonality so that helps us sort of increase sales along with the promotions that we are running and the future programs I shared a little bit of that in my commentary that we are now rolling out the 99 meals program and we are seeing some good early reads. We have piloted that in about 80 odd stores, and we saw some good growth in dine-in traffic and now we are expanding that to national promotion. We are spending money on media traditional digital billboards; outdoor mall branding and we are expecting good growth on the back of this promotion.

**Prashant Desai:** I will just add Harsh to what Kapil mentioned. One of the things that you will have to understand the nature of our business is every time we open a restaurant it takes the restaurant to reach a certain degree of maturity over the next 24 months to 36 months and if you just see today the 391 restaurants that we have and if you just do the simple math the number of restaurants that we have opened over the last two and a half to three years you will see that close to about 40% to 45% of the restaurants of the total restaurants that we have had opened over the last two to three years as you move forward as this restaurant and as these locations mature there is a natural tendency of traffic coming into this and which is the whole geniuses behind the kind of 8% same store growth guidance that we have given for FY2025 to FY2027 so it is a combination of almost everything that you mentioned not one specific factor, product, marketing, restaurants maturing and new product introduction, it is a combination of all of that Harsh.

**Harsh Shah:** And on the Indonesia side if I look at the ADS it was around 89,000 this quarter and then you say that you had 10 stores of Popeye which are doing almost two to three times higher ADS than Burger King would it be fair to assume that the ADS for BK was even much lower than what it

used to be in the previous quarter then what would be the strategy? Are we looking at rationalizing some of these stores here and add more of Popeye's how do you see this business?

**Prashant Desai:** Harsh before I hand it over to Sandeep, but I will just correct you the Indonesian ADS that Sumit mentioned 117 was purely on the burger side of the business. When you look at Popeye's ADS where we said that we are doing almost two and a half times of the burger that separate the restaurants have just started the impact of that you will feel in the next year. One big thing that I still want to reiterate which Sumit and I had mentioned if you look at the numbers that we have shared numbers that we have shared we are currently guiding that next year the Indonesian business will achieve a cash break even which is a very, very big milestone from where the business that we acquired and if we just do the math itself that swing is close to about Rs.100 Crores swing right and this income passes everything that Sandeep mentioned, everything that Raj mentioned and all the initiatives including opening of Popeye's all the work that he had done to improve the burger ADS to probably where we acquired on a pre COVID levels.

**Rajeev Varman:** Sandeep you want to add anything else or.

**Sandeep Dey:** No, I think Prashant you have covered pretty well. In the last quarter practically all the improvement in ADS we have seen is from the burger side of the business itself and as both Raj as well as I mentioned that we have covered a lot of ground work in terms of strengthening the foundation and then started putting in all our strategic pillars so you will see a lot of improvement on our ADS on the progress side of the business as well.

**Harsh Shah:** Just a last follow-up on this. We have reduced our gross margin guidance from 68% to 67% so is it fair to assume that we will not be taking any price at this year and what would be the thought process by lowering this guidance?

**Prashant Desai:** Yes so we just shared with you this Rs.99 promotion that is going out which is out in the restaurants and so forth so we have adjusted and our goal this year is to drive traffic and specifically dine-in traffic and you will see that is the focus area and we have shifted. Again, by the way we are showing improvement in gross margin as well right. We are moving from our ending 66.4 towards 67 so we continue to drive that because those efficiencies come because of all the transportation, the buying and so forth that I mentioned earlier so we will continue driving that so we kind of a little mitigated because of the fact that we are on aggressive promotion to drive traffic and you will see the results of that. The impact of traffic and volumes has a complete impact on the P&L whether it is the label line, whether it is the rental line, and the utility line you will find all the leverages coming in on all those lines and hence forth on the restaurant level EBITDA. Thank you for your question.

**Harsh Shah:** Thank you so much. All the best.



- Moderator:** Thank you. We take the next question from the line of Nihal Jham from Nuvama Institutional Equities. Please go ahead.
- Nihal Jham:** Thank you so much. A couple of clarifications one was when you are targeting the 8% SSG for FY2024 is it in a way factoring some improvement in the macro given that you have just highlighted so this is something that we believe will play out given the initiative booking?
- Rajeev Varman:** First of all, it is 10% that we have kind of put in the guidance. It is not 8% so remember it was 8% just someone just pointed out on the gross margin so let me take the liberty to find out also on the SSG. It used to be 8% but now we moved that guidance to 10% and it is on the back of the aggressive year that we are planning in terms of driving dine-in traffic getting people back into our restaurants at the dine-in level and you will find that that is the impact that we are showing positive on 10%. It is all those programs and we kind of consider everything and the previous inquiry was on all the competition coming in so all that is taken into perspective before we give that guidance, and that guidance stands.
- Prashant Desai:** May just to add to what Raj is saying the guidance is where things today in terms of the environment. As we mentioned right, we have seen some form of first level of recovery starting in May. If the environment were to get better, we come back every quarter, we will probably up the guidance. If the environment for some reason were to worsen, we will also have a platform to be transfer it and honest about it and share with you guys but from where we stand and what we see this is where we believe is where we want to guide you guys.
- Nihal Jham:** That is helpful. Just one final question was on the corporate over exist? I think Raj highlighted that there is a target to keep it to 4% to 5% for the business if that is the number that more or less plays out, we are looking at maybe it being flat versus it was in FY2023 so just your comments on the same?
- Prashant Desai:** Yes, it is true. If you look at my FY2023 corporate GN as a percentage of revenue it is roughly about 5.8 and what Raj is seeing our endeavor will be to bring this down to 5% going forward and then the operating leverage kicks in right as you keep scaling and we have to scale to 700 by FY2027 so you will see further improvement there but yes the endeavor is to bring it to closer to 5% next year.
- Nihal Jham:** That is helpful. Thank you so much.
- Moderator:** Thank you. We take the next question from the line of Pratik Poddar from Nippon India Mutual Fund. Please go ahead.

**Pratik Poddar:** Just two questions. One is what are the kind of assumptions behind Indonesia breakeven which you are guiding for so if you could give us some flavor in terms of what kind of areas are you looking at and the gross margins?

**Rajeev Varman:** So, Pratik let me just to answer your question shortly at almost 21 million IDR we break even.

**Pratik Poddar:** That is how much in Indian rupees if I may ask okay?

**Rajeev Varman:** It is like 1,10,000.

**Pratik Poddar:** Got it and that is what you are aiming for in FY2024 right?

**Rajeev Varman:** Yes, as we mentioned this right even on it is generally that Indonesia, we collectively want to stabilize the business first before they put the accelerator, and which is why you will see the guidance for only 15 incremental stores of Popeye for the current year. We will do some rationalization with respect to the working stores. A lot of effort Sandeep and team have put both on the product side. Now we are beginning to spend money on the marketing side and which is where we believe that we should be able to deliver a break even ADS during the year and adjust swing of Rs.100 Crores in this year. If this goes as per plan, we would have a very different FY2025.

**Pratik Poddar:** If I were to go back to pre COVID I think the ADS was 135K despite doing a back-to-basics kind of program you still are targeting 105K in stage one? I would have thought at least you should have gone very close to 135K is it not with the amount of portfolio rationalization you have done, the amount of retraining which you have just talked about, and the new desert portfolio which you have introduced?

**Rajeev Varman:** This is Raj. Thanks for your question by the way. It has been while since we have met. Look here Pratik we are kind of threading slowly in Indonesia right. We have had losses this last year and our objective is to not we have got all these programs that we invested just last. The last P&L we have invested severely on whether it is the product side, whether it is the equipment readiness, and whether it is introducing new products, all these things we have invested significantly right. As we go into the New Year we are going to turn, and you cannot communicate all the five pillars on day one right. You are starting off with chicken communication. It is going to come out so we will start communicating chicken. It will drive a lot of people into our restaurants. When those people come into our restaurants, they will also see the burger menu. They will also see the menu on our desserts, so we are going to thread this slowly and it is going to come back slowly. It does not come back immediately as you go on television. It builds up and that is the important thing is we are now set up a machine that is going to be cumulative moving forward versus doing coupons and getting someone in with a coupon and then until you drop. The next coupon no one is coming in, but this is a cumulative machine which is the right way to run a long-term kind of a

gain program. Yes, I am very happy with this Indonesia business. I think this business when it generates when it does IDR of about 26 million to 27 million, it throws high double digit restaurant level EBITDA, and it is because of the rent structure. It is because of the cost structure over there. It is just a very, very profitable business. We need to get this idea back. We are kind of sitting where we are at about 17% to 18%. We have started moving in the North direction. We have given you the 21 number as a break-even number but that break-even number would also be some cost controls. It could be some higher EBITDA higher revenues a combination of various things right but the objective is basically to be cash neutral in Indonesia and then move on to the next year to start building and by the way at the same time we are putting in new Popeye's restaurants which generate two to three times the volume of a Burger King business there so we will continue to build that business. We will continue to put back the Burger King business in the right track and then start building them together in the year following that so that is basically the majority of the plan. Thank you again. Good question.

**Pratik Poddar:** Sure, the experience of 2x to 3x ADS have we see it on all the 10 to 11 stores which were open till now?

**Prashant Desai:** Sorry we could not get your question.

**Pratik Poddar:** I was just asking the experience of 2x to 3x ADS on the Popeye's portfolio in Indonesia? Is it applicable to the entire 10 stores which you have opened till now?

**Prashant Desai:** So as we mentioned that in the slide Pratik this is the launch ADS and at the same time we mentioned that at a weighted average company level we want to be at the 21 million ADS 21 to 21.5 to break even so we are factoring that this is a launch ADS and there will be some adjustment as the restaurant moves forward but we are not guiding that all Popeye restaurants will have 2 to 2.5 times what we are seeing. The launch ADS has been 2.5 times for the full year collectively our endeavour is to break even or cash breakeven the Indonesia business.

**Pratik Poddar:** Got it and just last question on the India part? With this value for money offer which you have just launched will the walk-ins now go back to pre Covid level is that a fair assumption?

**Prashant Desai:** Is he talking about Indonesia.

**Pratik Poddar:** No India? I have come back to India? You have this value for money product right which you have just launched? My question was the walk-ins today also are not at similar levels to let us say what they were in pre COVID? With this do you believe you will go back to pre COVID levels in terms of walk-ins?

**Rajeev Varman:** Look here Pratik the strive is to go back and more because generally the market is increasing. If you look at QSR market the food consumer market here in India is growing so I do not want to

put any guard rails whether I want to get back to previous COVID numbers. I think our clear strategy is to move forward and grab a good share a respectable share of this growing market. We will continue to kind of work towards that. You will find that we are kind of shifting slightly our business to gain more momentum on the dine-in side. It does not mean that we are not focusing on the delivery side. We continue to build that business as well. It is good business. Our app I showed you numbers on the app previously. Downloads have increased. The sales through that app business is growing so there is an ample amount of business to come in and it is just not resting on 99. There will be other things. Kapil shared those will continue to come so thank you for your question again.

**Pratik Poddar:** Sure thanks.

**Moderator:** Thank you. We take the next question from the line of Jay Doshi from Kotak. Please go ahead.

**Jay Doshi:** Thanks for the opportunity. Prashant I want to just ask a followup on your earlier response to the earlier question what is the rationalization that is yet to do between Popeye's and Burger King in Indonesia so what is allowed from RBI standpoint and I believe you have some store targets form Indonesia so if you were to replace a BK store with Popeye do you not have to open another BK Indonesia elsewhere?

**Prashant Desai:** No BK and Popeye's have their separate MFDA with their separate store target but if you recall when we have acquired the Indonesia business we had remunerated that the BK store targets and what they had opened was far ahead from MFDA guidance perspective and hence there is not too much of pressure on the Burger King side. Popeye's as we had mentioned last time also the idea is that as per MFDA we have to open close to about 100 to 125 over the next five years and which is our endeavour.

**Jay Doshi:** Correct. In that case what is the room for rationalization? You mentioned that you will be rationalizing between Popeye's and DK Indonesia?

**Prashant Desai:** So, the rationalization is as Sandeep mentioned in his original commentary right like once we acquire the business and as COVID opened up and we did not see the pre COVID traffic coming back post COVID and with this new management we have acquired this business. Every store we have gone through to understand what are the challenges, constraints and from that perspective if there are stores which will be required to be shutdown in Burger King in Indonesia we will take that call keeping in mind the MFDA requirements so we will never want to breach the MFDA and we do not intend to from a guidance standpoint.

**Jay Doshi:** Understood. From a lease perspective renal lease perspective it is technically viable so tomorrow if you think that a particular location BK Indonesia is not doing well and we decide to shut down but you want to open Popeye's at the same location can we continue to do so with the same lease

rental arrangements and everything else being same so we will save a significant amount on capex and market?

- Sumit Zaveri:** Yes, rental is a larger concern, Jay. In India where we are at about 13.5% into revenue.
- Jay Doshi:** Thank you so much. That is it from my side.
- Moderator:** Thank you. We take the next question from the line of Dhiraj Mistry from Antique Stock Broking. Please go ahead.
- Dhiraj Mistry:** Sir my question was regarding DK factor? I know it is too early to call out but first store we added somewhere around last year and it has been more than one year so can you spend some time on that? How much incremental sales has been adding and what should we be building going over?
- Prashant Desai:** Sorry Dhiraj we could not understand your question properly if you could. Can you repeat your question?
- Dhiraj Mistry:** Yes I was asking on BK Café that first store we added it has been more one year and what kind of average daily sales has been adding to that stores so I am not asking from the stores which has been BK Café has been added over the last six months or so but the café which has been added with more than one year what kind of incremental sales has been adding to store level?
- Sumit Zaveri:** This is Sumit here. One is at the BK Café level, I will kind of split this into three parts. Actually one is on an average the café is doing a sale of around 15000 at the portfolio level and we continue to get an incremental sale of 7000 and I am sure you must have been hearing this number. To your question without getting in the numbers I would say that we have been able to maintain this incremental sales in spite of very aggressive store growth or café addition there and this would not have been possible at the earlier stores that we opened and added café not mean growing as a part of the portfolio so we have actually seen growth in BK Café. The earlier stores continue to grow in the share of revenue. It would not be fare to share the details of how the vintage wise sales have been growing but I can tell you that the earlier stores that we opened have been growing and as our overall portfolio is it is not that we have reached any kind of stable here and we will continue as we kind of grow deeper into our current promotions we would also parallely invest behind pushing or improving the share of sale of café as we go along.
- Dhiraj Mistry:** Okay and just to extend this question that have you seen incremental foot fall increasing because of BK Café?
- Sumit Zaveri:** At this point in time, we are taking this as a menu extension within our store. We are still continuing to promote that part of the portfolio within the store itself so whatever sales you have seen in more like an attachment to the customer walking in and at this point in time I think we are

not working towards as a part of our strategy but we would and we believe that it might act as a traffic driver. Once we start talking about BK Café extensively as part outside the store so at this point in time it is more like an attachment driver for us. Once we start talking about it outside, we do believe that it can also act as a traffic driver going forward. That is the plan of the strategy with which we are working on café.

**Dhiraj Mistry:** Okay and the second part of my question is regarding the meal like burger portfolio in overall QSR segment has been relatively better placed right now? It is mainly because of the meal offering which happens in the burger so what kind of meal contribution we have in our overall portfolio in India business?

**Prashant Desai:** As a matter of strategy Dhiraj we do not share combo percentages from a complete standpoint so hope you will understand.

**Dhiraj Mistry:** Sure, and last part of my question is there any price hike taken during the quarter or previous quarter?

**Prashant Desai:** We have not taken any price hike in the subsequent quarters, and I just want to kind of explain the clause. A lot of times people actually look at price hike as one product to another product. That is not how we generally take. What we do is that we actually take a complete balanced menu approach and kind of to make sure that what is the effect of price variation that we are bringing in at an overall portfolio level and hence when we say that we have not taken price hike we come back from that perspective just to make sure that an overall portfolio level the spend that the customer who have at our store is much more stable so from that perspective if we really look at it Q4 no. There would have been portfolio level price level changes but a product realization level which is how we look at price hikes we have been fairly stable.

**Dhiraj Mistry:** Okay thank you.

**Moderator:** Thank you. We take the next question from the line of Kaustubh Pawaskar from Sharekhan by BNP Paribas. Please go ahead.

**Kaustubh Pawaskar:** Thanks for the opportunity, Sir. Most of my questions have been answered. Just one question on Indonesia part so in the presentation you mentioned that in Indonesia you see around 325 stores business FY2027 so now we have around 179 stores and we say that Popeye's you will be having around 100 to 105 stores over the next five years so is it fair to assume that you will be adding around 40 to 50 BK stores over the next five years in Indonesia after value rationalization you will be planning to do?

**Prashant Desai:** So, two parts to that Kaustubh. Part number one, the answer to that is yes. There is an assumption behind this is the Indonesia burger business stands where we are today. As I said, next year we

have a lot of work to do. Should the numbers change after next year we will come and revisit this guidance but as of now it is correct to assume that.

**Kaustubh Pawaskar:** And the rationalization part would that 80% of your strategy is almost there in Indonesia so when do you expect things to stabilize in Indonesia in terms of strategy and from there we should expect a stable kind of a growth in the business so it is fair to assume that FY2025 we should start seeing consistent kind of a growth in terms of strategy for Indonesia?

**Prashant Desai:** Short answer. The answer to that is yes but a lot depends on how this year goes. There is a lot of work that happened previous year. This year is the year of execution and now putting capital behind this both in terms of marketing initiatives for the burger side of the business and capital allocation from opening more Popeye's business. Give us some more time to come and answer to that more specifically Kaustubh.

**Rajeev Varman:** By the way Kaustubh just to let you know you made a statement 80% of our strategy is Indonesia right now. This is an Indonesia specific strategy and there is an India specific strategy. The India business is doing very well. It continues to grow. It continues to build itself and what Kapil is doing is bringing in some aggressive dine-in kind of promotions to kind of build that section. He has already built that we shared with you the king's collection which is just a premium layer. There is a value layer on the bottom which is now on TV with. There is a strong offering so the strategy in India is the same which we have been consistently implementing. We have stuck to our plan in India. We continue to drive our plan. We continue to focus on our plan. We continue to build restaurants as per plan. We continue to build sales as per plan. Nothing is going to change. We are going to stay true to that plan and then in Indonesia we are doing what we are doing is to get back to break even in terms of cash this coming year and then build it from there moving forward so that is the basic strategy yes.

**Kaustubh Pawaskar:** Thanks, and just a clarification part. You just mentioned that BK Café incrementally it is adding around 7000?

**Prashant Desai:** Correct.

**Kaustubh Pawaskar:** Okay thanks for the answers and all the best for the future.

**Prashant Desai:** We can take the last question.

**Moderator:** Thank you Sir. We take the last next question from the line of Akshen Thakkar from Fidelity. Please go ahead.

**Akshen Thakkar:** A couple of questions from my side. First on the India business between the EBITDA and your reported EBITDA means if you look at it the amount that sits over there could you just help us refresh what all broadly line items you include which is corporate office cost or are you including

the regional cost, etc., over there that is question one and question two was on the Indonesia strategy now that you have two brands over there Burger King from what we have discussed is pivoting a little towards chicken and Popeye itself chicken sort of known brand is there any guard rails that RBA would have some brands would have put on you in terms of what innovation you can and cannot do in Burger King or you have the flexibility to do what you want thanks?

**Prashant Desai:** Akshen second question I will let Sandeep come in and answer that. The first is your question reconciliation between pre and post or is it.

**Akshen Thakkar:** It is between restaurant EBITDA?

**Prashant Desai:** That is just corporate cost so what we do is all cost get debited to the restaurant except the corporate cost which gets debited below that, so marketing and royalty all is above that. Sandeep if you can take that question.

**Sandeep Dey:** So, on the brand side from RBA side there is no restriction in terms of driving the product portfolio or the menu architecture for each of the brands so there is no restriction. In fact, if you study this market this market is an extremely, extremely strong chicken market and I spoke about that and all the brands, all the brands who are competing here have a very strong portfolio of chicken so to answer to your question no, there is no restriction. There is no limitation. We can have our own set of chicken portfolio on the Burger King side and at the same time have a strong portfolio of chicken on the Popeye side as well.

**Akshen Thakkar:** Thank you so much Sir.

**Moderator:** Thank you. Ladies and gentlemen, we have reached the end of the question-and-answer session and I would now like to hand the conference back over to the management for closing comments. Over to you gentlemen.

**Rajeev Varman:** Thank you guys. Really appreciate everyone joining in. As promised, we got Sandeep and Indonesia business, we kind of focus a lot on the questions as well as on the presentation getting everyone on speed on what we think is going to become a very strong business in the future. With also showed you results on the India side which is a higher revenue, higher SSG, higher growth margin, higher restaurant level EBITDA and a higher EBITDA company, EBITDA both from perspective of quarters as well as year over year so thank you for your support and we really appreciate all the consumers that continue to support our business and continue to believe in our products and thank you very much. Have a great day. I appreciate it.

**Moderator:** Thank you members of the management. Ladies and gentlemen, on behalf of Nuvama Institutional Equities that concludes this conference. Thank you for joining with us. You may now disconnect your line.