



# Westlife Foodworld

Hardcastle Restaurants Pvt. Ltd.

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## Strategy Day

December 1, 2022

# Safe harbour disclosure

This presentation contains forward-looking statements that represent our beliefs, projections and predictions about future events or our future performance. Forward-looking statements can be identified by terminology such as “may,” “will,” “would,” “could,” “should,” “expect,” “intend,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “continue” or the negative of these terms or other similar expressions or phrases. These forward-looking statements are necessarily subjective and involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements or industry results to differ materially from any future results, performance or achievement described in or implied by such statements. The forward-looking statements contained herein include statements about the business prospects of Westlife Foodworld Ltd (‘WFL’), its ability to attract customers, its affordable platform, its expectation for revenue generation and its outlook. These statements are subject to the general risks inherent in WFL’s business. These expectations may or may not be realized. Some of these expectations may be based upon assumptions or judgments that prove to be incorrect. In addition, WFL’s business and operations involve numerous risks and uncertainties, many of which are beyond the control of WFL, which could result in WFL’s expectations not being realized or otherwise materially affecting the financial condition, results of operations and cash flows of WFL. Additional information relating to the uncertainties affecting WFL’s business is contained in its filings with various regulators and the Bombay Stock Exchange (BSE). The forward-looking statements are made only as of the date hereof, and WFL does not undertake any obligation to (and expressly disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date such statements were made, or to reflect the occurrence of unanticipated events.

**Note: The data and information shared in this presentation will not necessarily be shared or updated every quarter or in other periodic communication.**



# Westlife Foodworld Limited

*Formerly Westlife Development Ltd.*



Aligning and harmonizing the company's name more closely with the nature of business activities



Vast  
**Menu**



Glocal  
**Experience**



Disciplined  
**Approach**



Renewed  
**Vigor**



# Vision & Mission

“ To be a **modern, relevant & progressive food and food tech company** delivering long-term prosperity and wellbeing for our customers, our people, our communities and our shareholders ”

## Success Enablers



**Building Blocks**



**Execution Proficiency**



**Strategic Proficiency**



**Talent Proficiency**

## Values



**Serve**



**Inclusion**



**Integrity**



**Community**



**Family**

# Recap of Vision 2022

## GROW MARKET SHARE & MARGIN



=

## GROW BASELINE SALES



+

## BROADENING ACCESSIBILITY OF BRAND MCDONALD'S



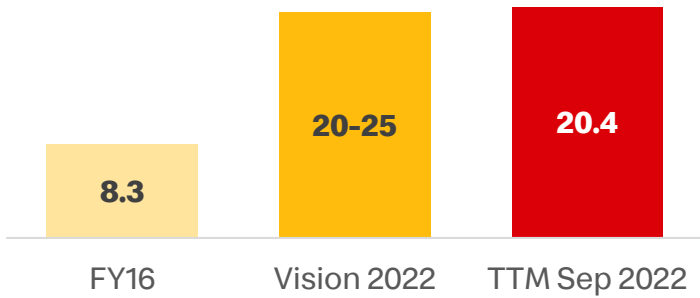
- **Sales** of Rs 20 bn – Rs 25 bn
- Take **EBITDA** margin to low to mid teens
- Restaurant level cash on **cash returns** of >20%

- High single digit **SSSG%**
- **McCafé**: 75 to 300-350
- **McDelivery**: 124 to 300-325
- 80-100 **EoTF** restaurants
- Leverage **other models and menu** in the future

- 400 – 500 **restaurants**
- Presence in 45+ **cities**
- **Investment** of Rs 5+ billion

# Vision 2022 Score Card: Sales and profitability

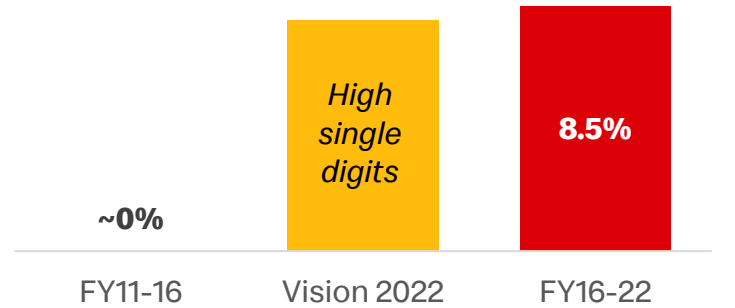
**Revenue, Rs. billions**



Compounded Annual Growth Rate of ~15%



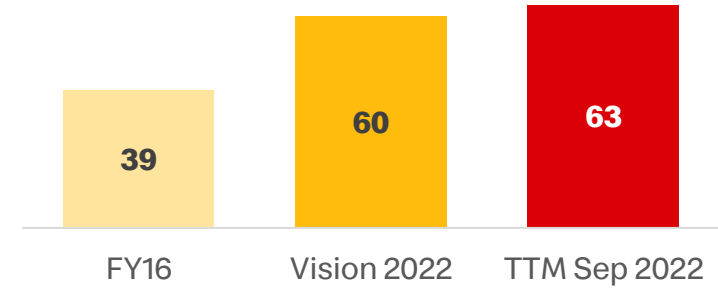
**SSSG, Percent**



Consistent positive SSSG, except during Covid



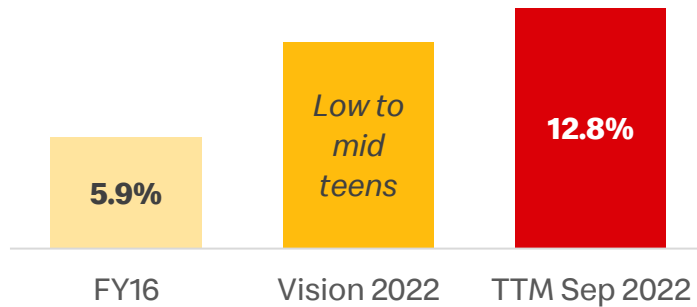
**AUV, Rs. Millions**



1.8x improvement in AUV per store



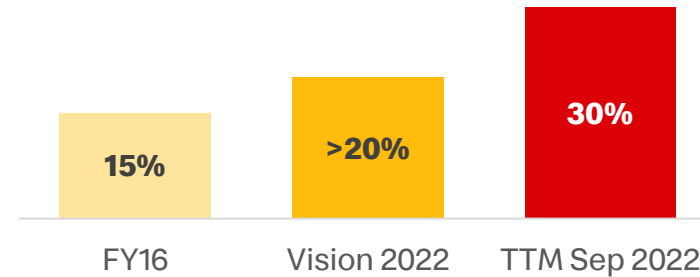
**Op. EBITDA Margin, percent**



Margin expansion of 690 bps (Pre-IND AS)



**Restaurant Cash Returns, Percent**

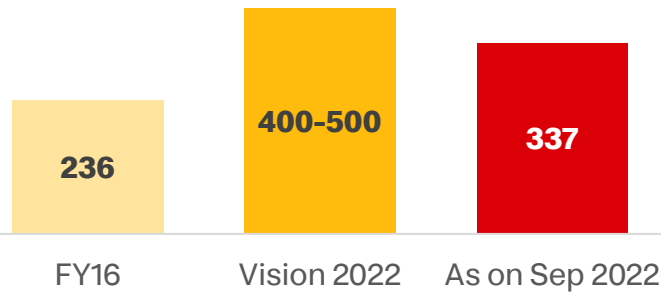


Restaurant returns have nearly doubled



# Vision 2022 Score Card: Network expansion

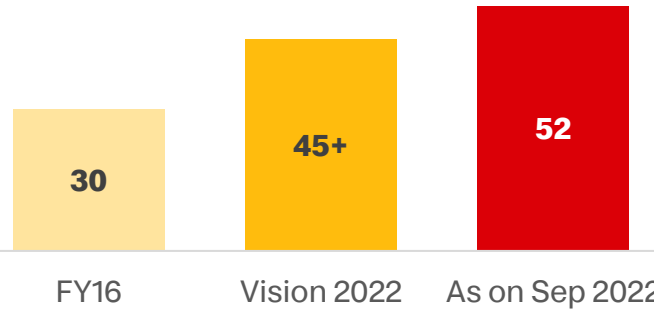
## Number of stores



Pace slowed during Covid, but on track now



## Number of cities



Expansion into smaller towns



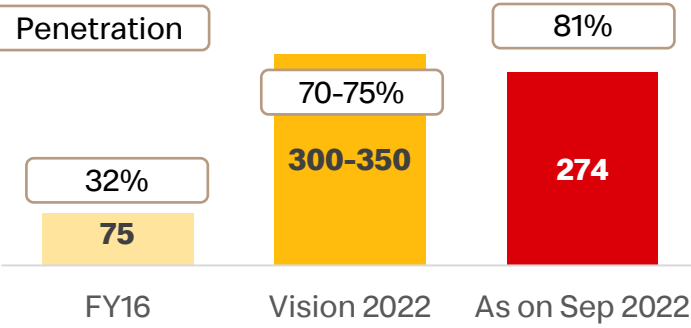
## Investment, Rs. Billions



Consistent investments in store network



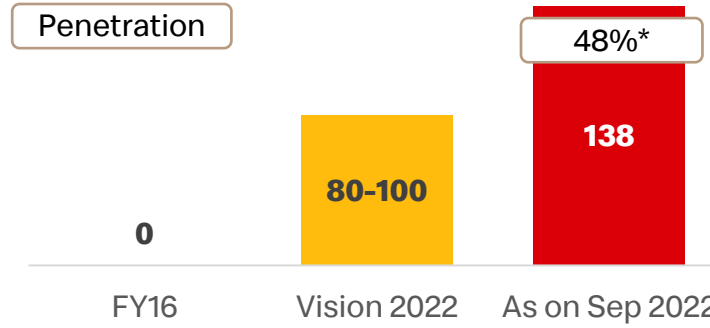
## Number of McCafés



Achieved the targeted penetration levels



## EOTF restaurants

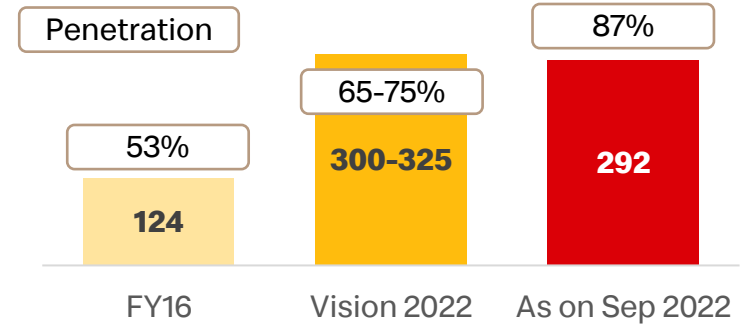


Rapid expansion of EOTF stores



\* Percentage of total eligible store base

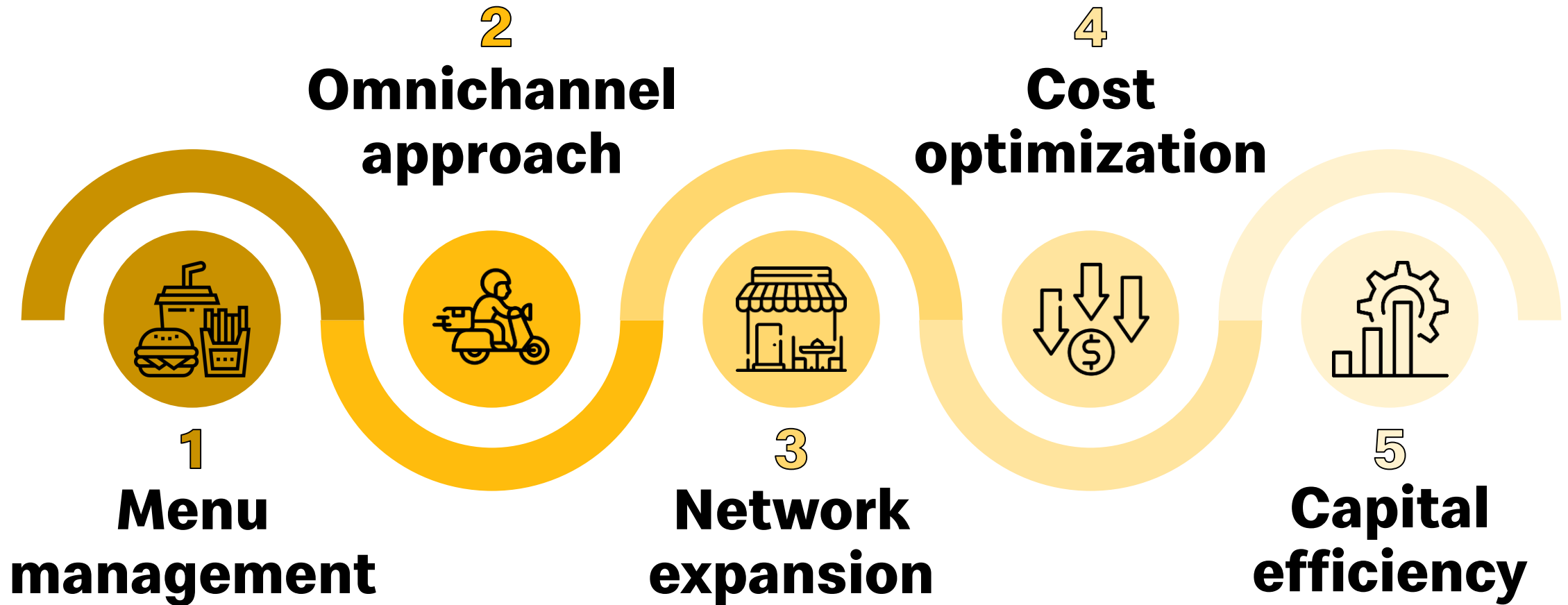
## McDelivery restaurants



Achieved the targeted penetration levels



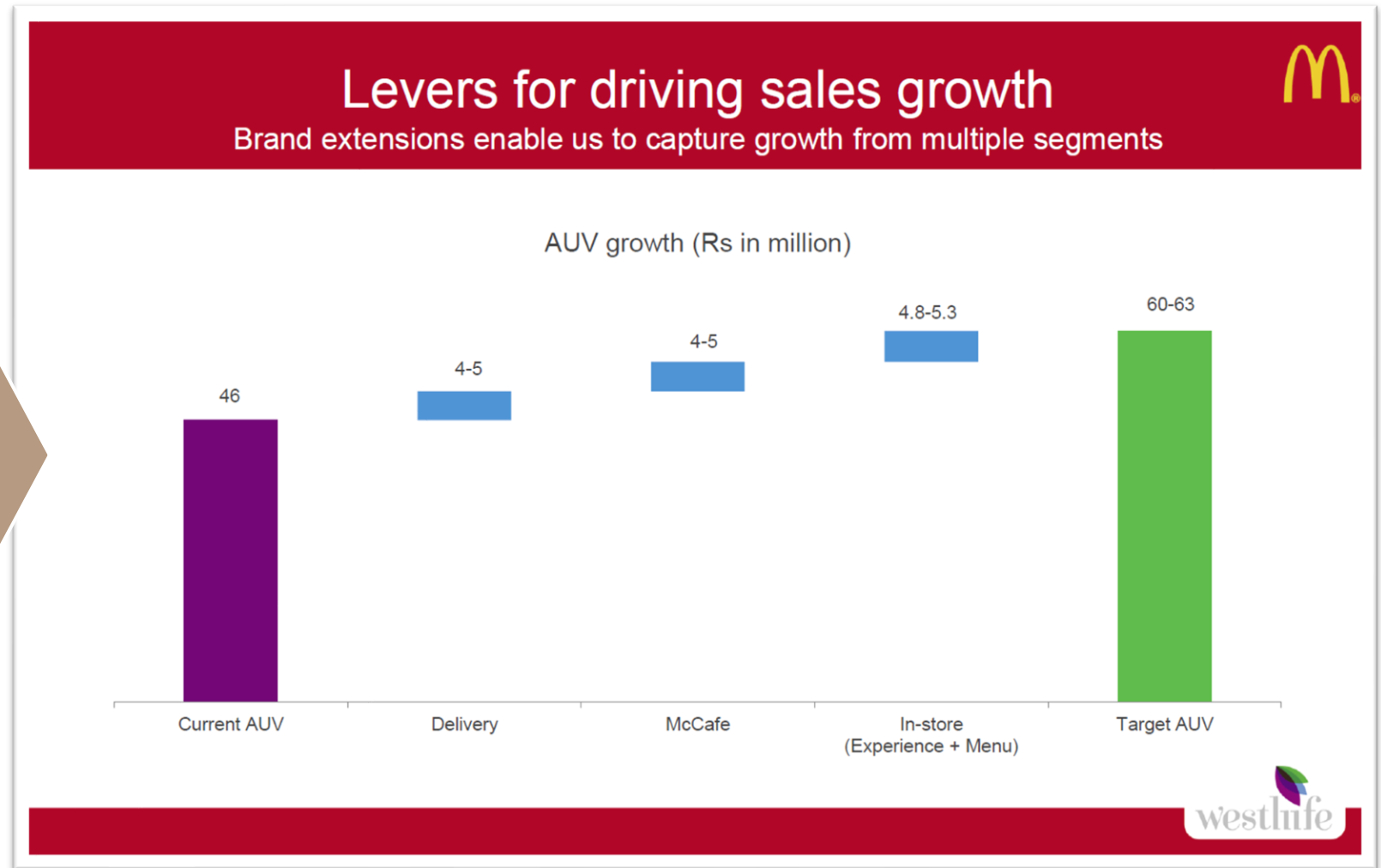
# Success drivers





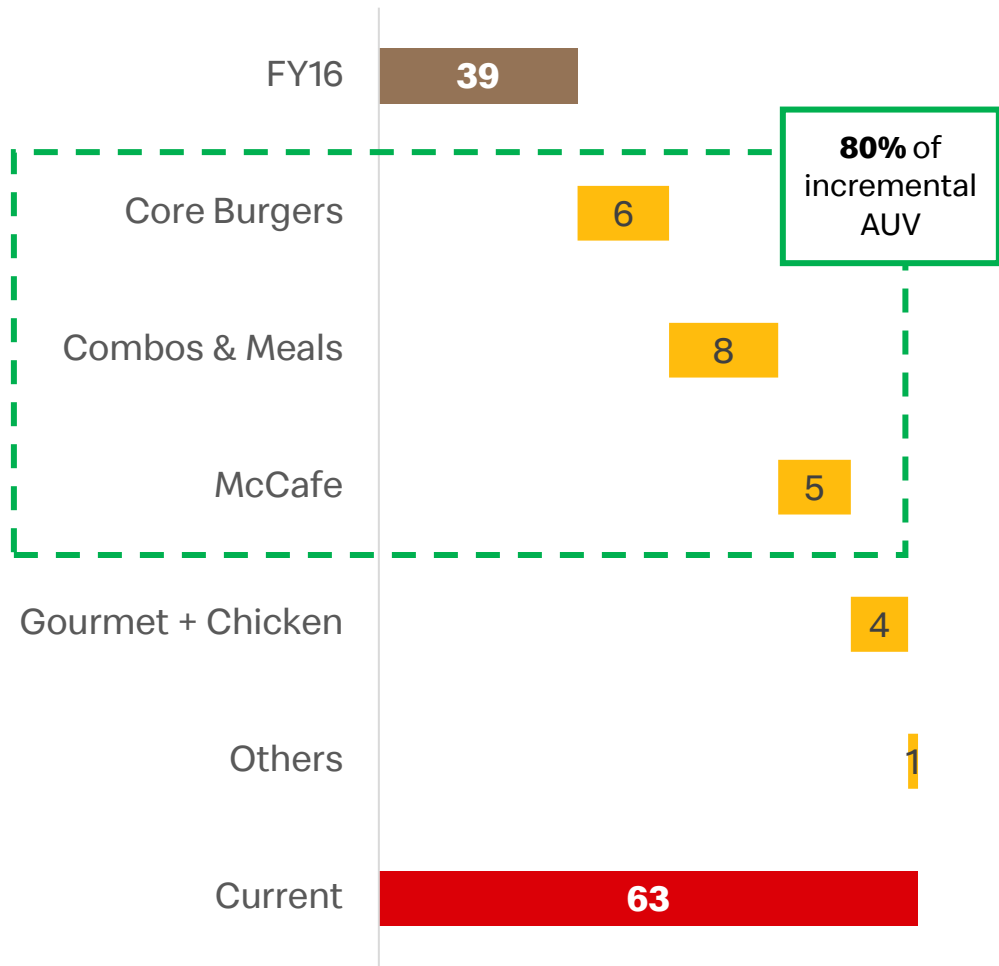
# Recap: Sales growth drivers

In 2018, we highlighted that **Menu, McCafe, In-store Experience** and **Delivery**, will drive average sales per store to over Rs. 60mn



# 1 | Menu management driven by robust consumer insights

Average Sales Per Store, Rs. millions



## Core Burgers



- **Building on iconic burger platforms:** McAloo Tikki, McSpicy, McVeggie, McChicken
- **Product extensions & LTOs:** Flavors Without Borders, Battle of Spicy, Naan, Rice bowls etc.
- **New Product platforms:** American Cheese Supreme, Maharaja Mac, Gourmet collection

## Combos and Meals

Driving acquisition and retention through:

- **Snacking combos:** McSaver Snacks @59, Happy Price Combos (F&B bundling)
- **Meal upgrades:** Free fries to Burger + Coke etc.



## Coffee



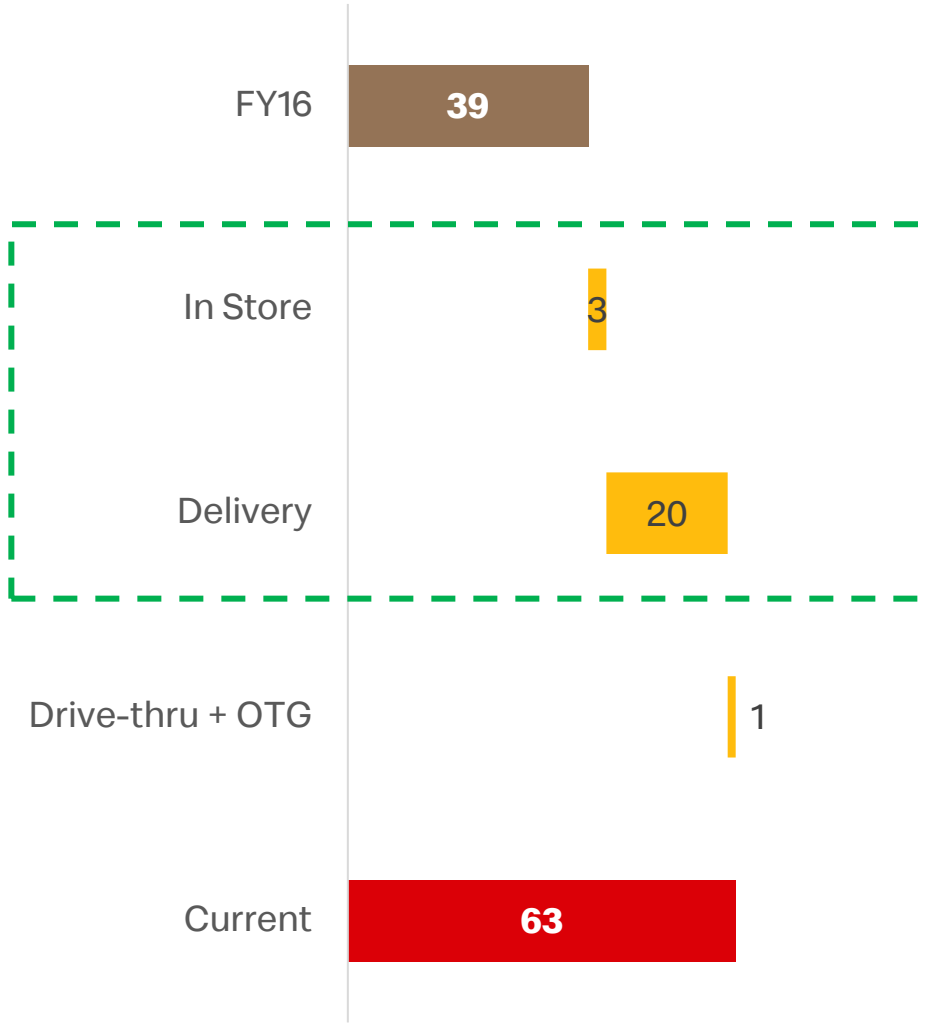
- **Coffee habit building:** Hot + Cold coffee combos, Value offers (2 coffees @ 149; Coffee + breakfast sandwich @ 129)
- **Brand building:** McBreakfast platform to compliment Coffee, memories campaign with McCafe, Barista certifications etc.

Snacking Leadership

Note: Current period refers to 12 months ended September 2022

# 2 | Omni Channel strategy premised on Consumer Convenience

Average Sales Per Store, Rs. millions



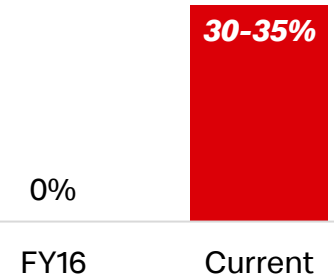
Note: Current period refers to 12 months ended September 2022

## On-premise Strategy



- **Convenience led digital experience** through Self Ordering Kiosks and Mobile Apps
- **Creating globally consistent Experience Of The Future (EOTF)** with modern ambience, table service, kid play places and family seating spaces

On-Premise Digital Sales



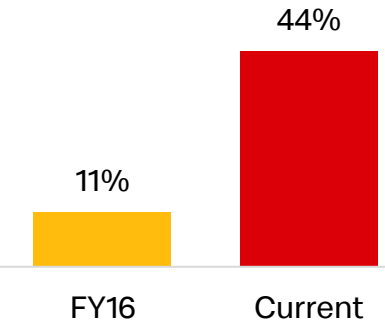
## Off-premise Strategy



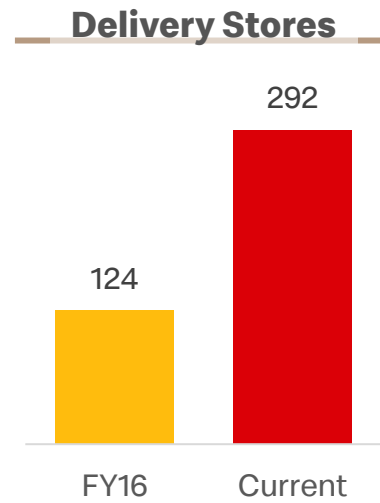
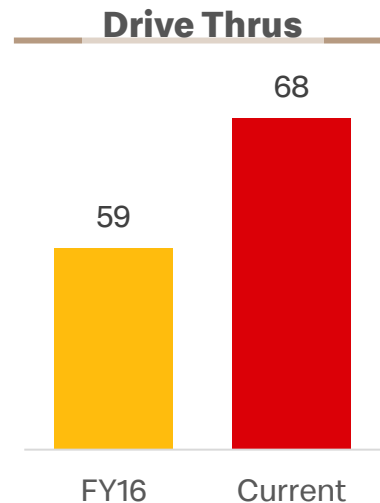
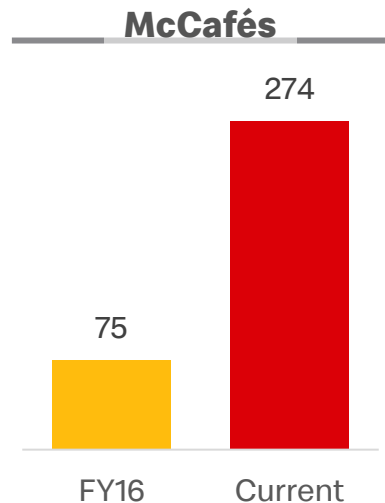
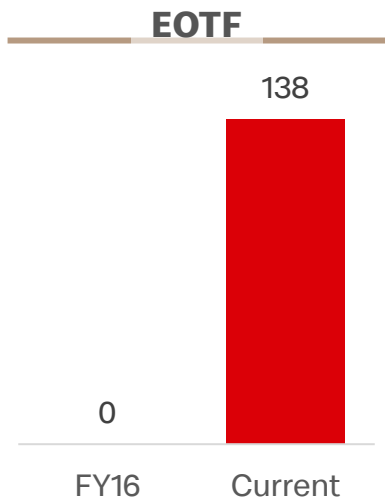
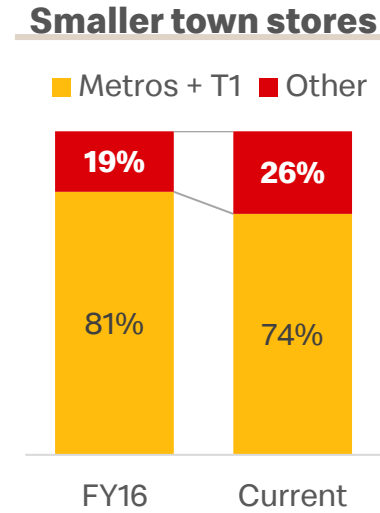
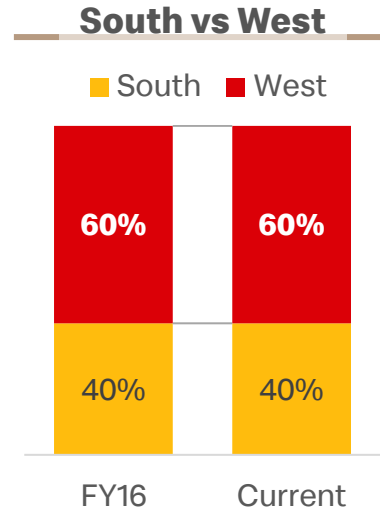
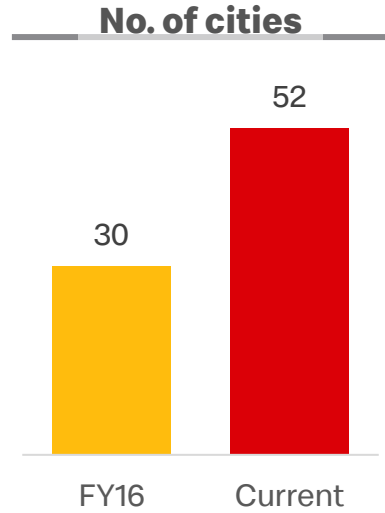
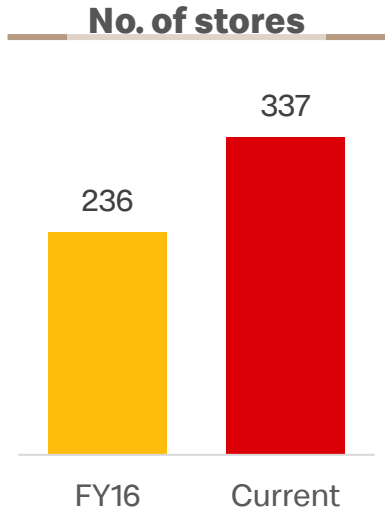
McDelivery

- **Invested in digital capabilities** - team, technology and analytics
- **Built relevant future ready infrastructure** with seamless instore integration and own riders
- **Strengthened relationships** with 3POs
- **Focused packaging initiatives** to drive beverages penetration

Off-premise Contribution



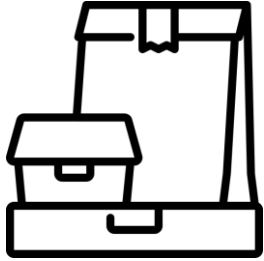
# 3 | Network Expansion



- ✓ Enhanced penetration in Small and Emerging towns
- ✓ Carried out a massive store modernization drive
- ✓ Continued investments in volume driving large store formats

**Rs 5.2+ bn**  
 Invested in Network Expansion and Reimaging  
 ↓  
 Funded through **Internal accruals**

# 4 | Cost Saving Initiatives



Food & Paper



Distribution



Utilities &  
Maintenance

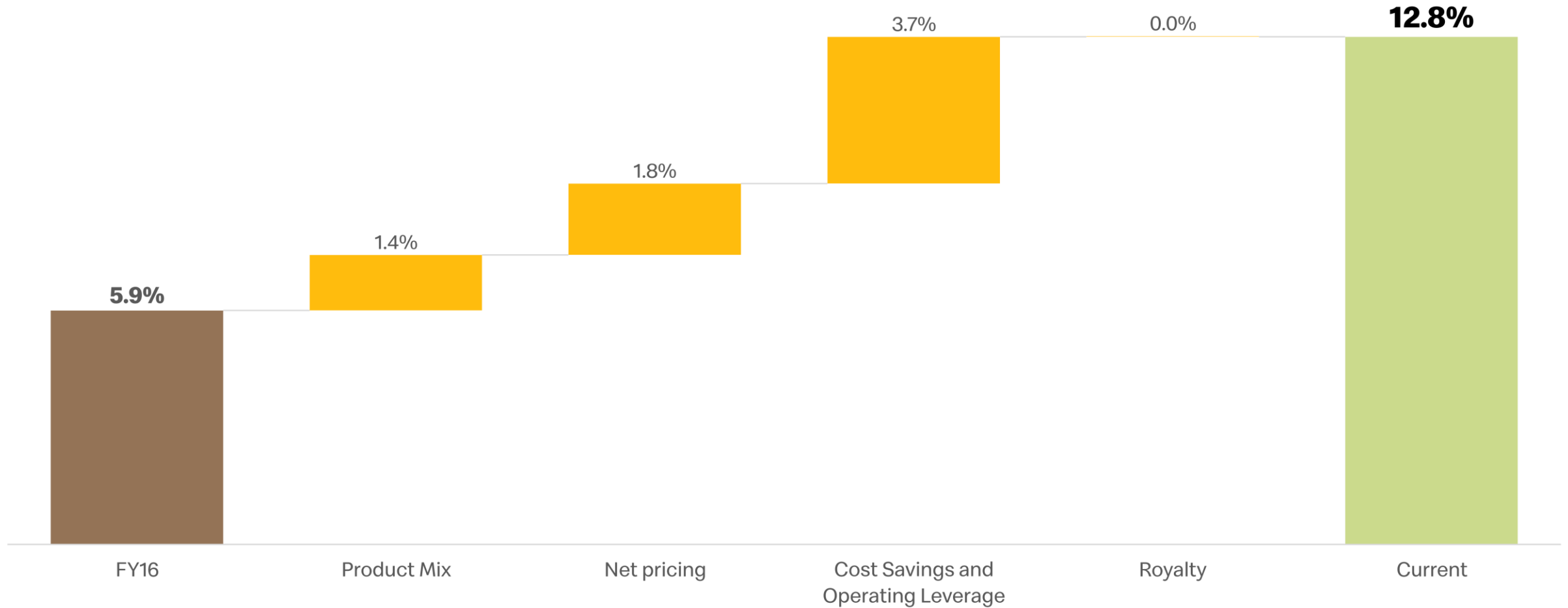


Employee  
costs

**~Rs 550 mn**  
Cost Savings

(Implemented or Identified in Wave 1)

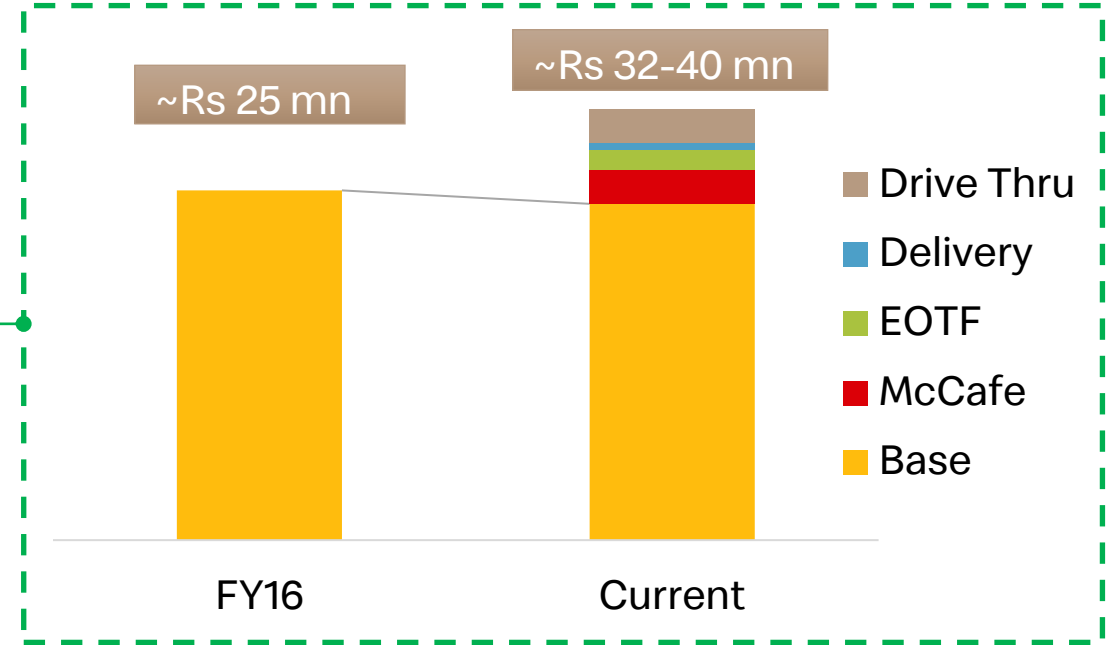
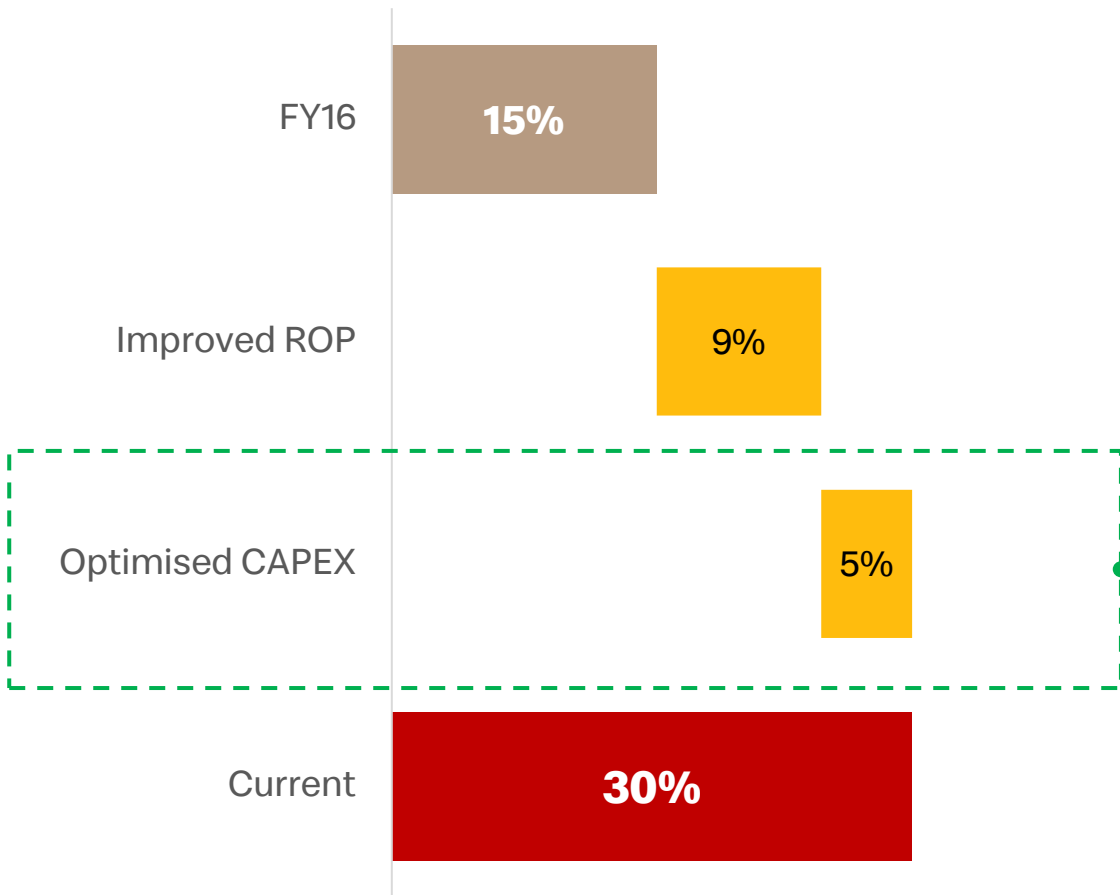
# 4 | Improving Profitability



Note: Pre-IND AS Operating EBITDA Margin

# 5 | Capital Efficiency

Restaurant Cash Returns



- ✓ Optimized base cost despite inflation
- ✓ Added returns accretive new levers of growth
- ✓ Volume and cultural sensitivities focused design

Note: Current period refers to 12 months ended September 2022

# **Industry Trends & Market Opportunity**



# Emerging trends and tailwinds



Favourable  
**demographics**



**Nuclearization**  
of families



Shift towards  
**consumption** vs  
saving



Increasing  
frequency of  
**eating out**



Increasing  
**urbanization** and  
'rurban' India



Increasing **digital**  
**penetration**



Rising value of  
**convenience**



Increased  
preference of  
**hygiene**



Rising aspirations  
and  
**premiumization**



Favorable **funding**  
**landscape** for  
aggregators

India likely to surpass China to become **most populous country** in the world around 2025

Only ~ **35% of the Indian population lives in cities** vs  
60% for China and 80-85% for USA

Consumers in tier 2 and tier 3 cities **order food 'multiple times a week'**, higher vs metros and tier 1 cities

**Functional needs** replace celebratory reasons to order  
food across income segments

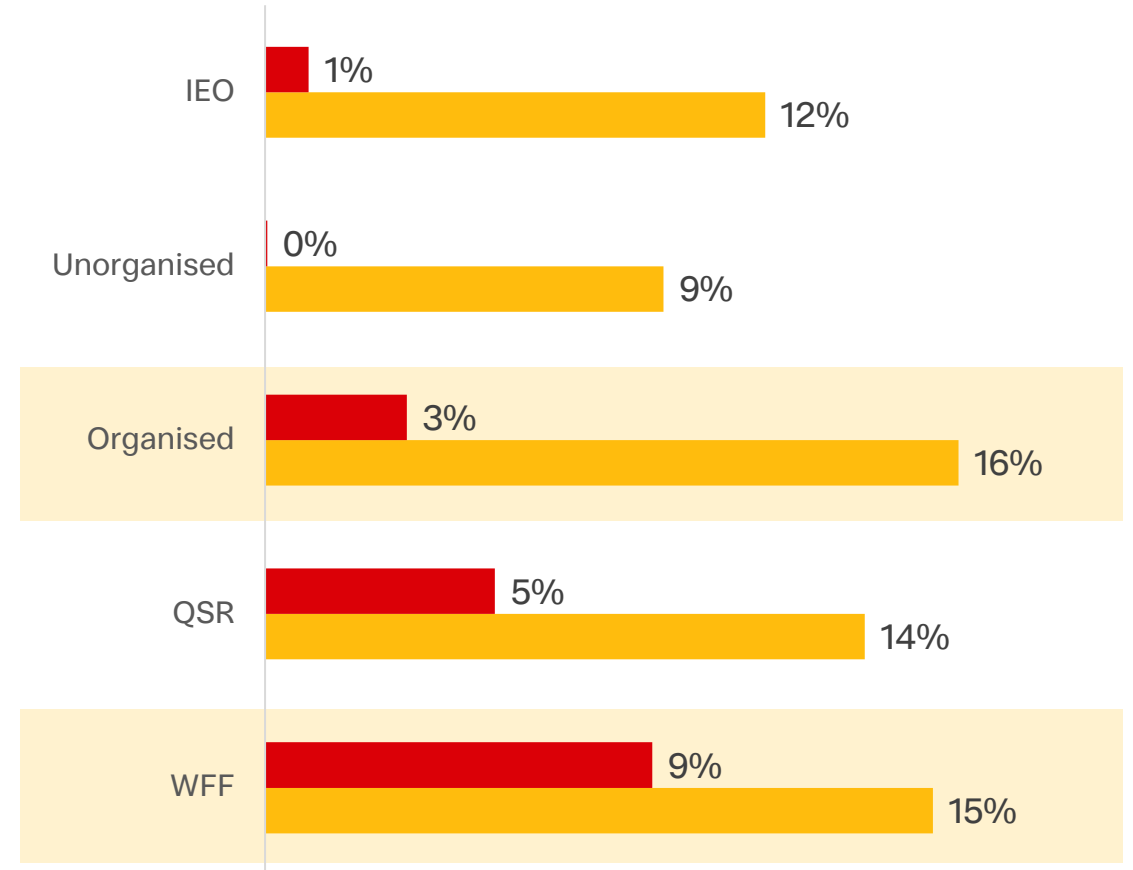
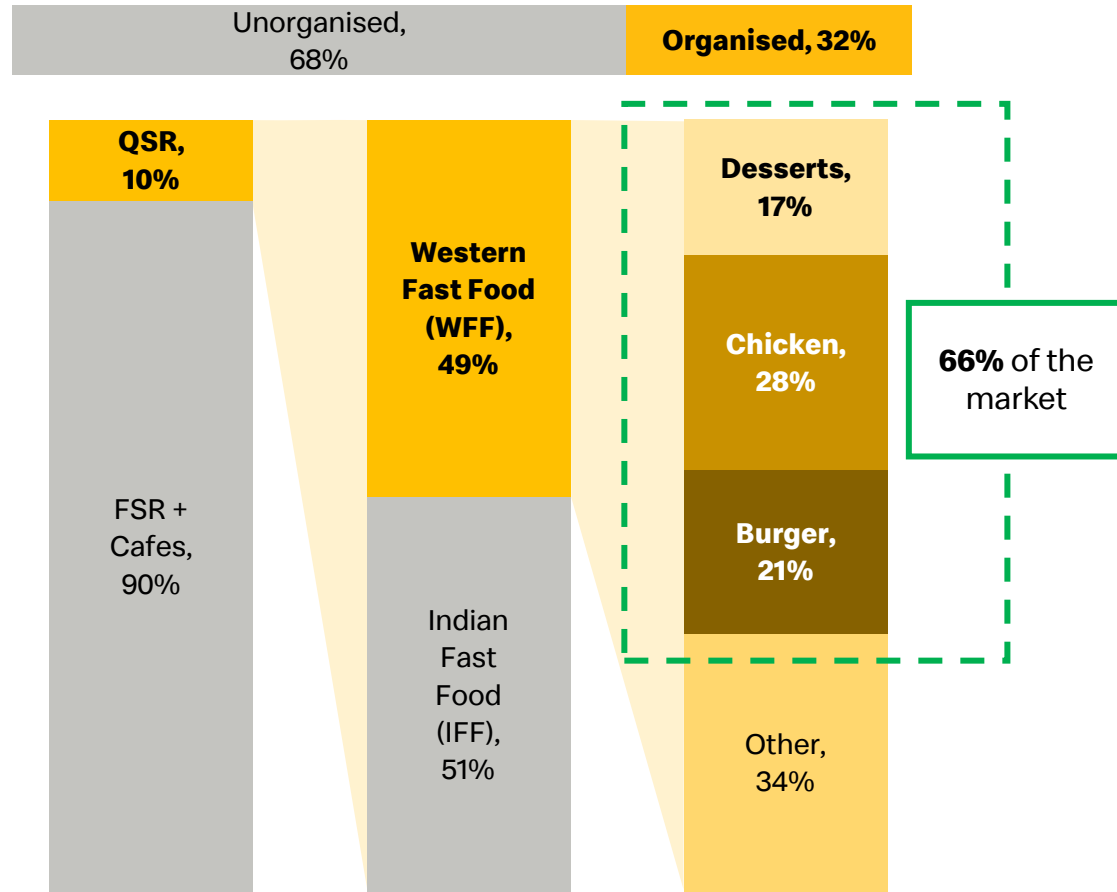
India bought **17 crores (170mn) smartphones** in 2021

61% surveyed population watches **online video content**  
like YouTube/OTT on their mobile/home TV.

UPI payment crossed **Rs 11 lakh crore (~\$140 bn)**  
**milestone** in Sep'22

# Indian Foodservice Market Construct and Opportunity

Informal Eating Out is **INR ~3.2 tn market**



■ Last 5y CAGR   ■ Next 5y CAGR

# We cater to various market segments through our unique business model



**Total Addressable Market is Rs +200 bn**

Note: All India TAM; Source: Company estimates, Euromonitor

# Vision 2027





# Vision 2027

01

## **Meals Strategy**

Achieve market leadership in core day parts through brand relevance led by menu innovation and marketing

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02

## **Omnichannel Strategy**

Integrate various channels and touchpoints to a One McDonald's platform in order to provide consumers a seamless experience

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03

## **Faster than ever Network Expansion**

Penetrate unserved geographies and fortify existing markets with renewed aggression

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04

## **Lead with performance**

Targeting superior business performance and operating efficiency through execution excellence

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# We have built menu relevance across customer occasions and day parts

## Indian IEO market construct



### Enhanced meals offerings:

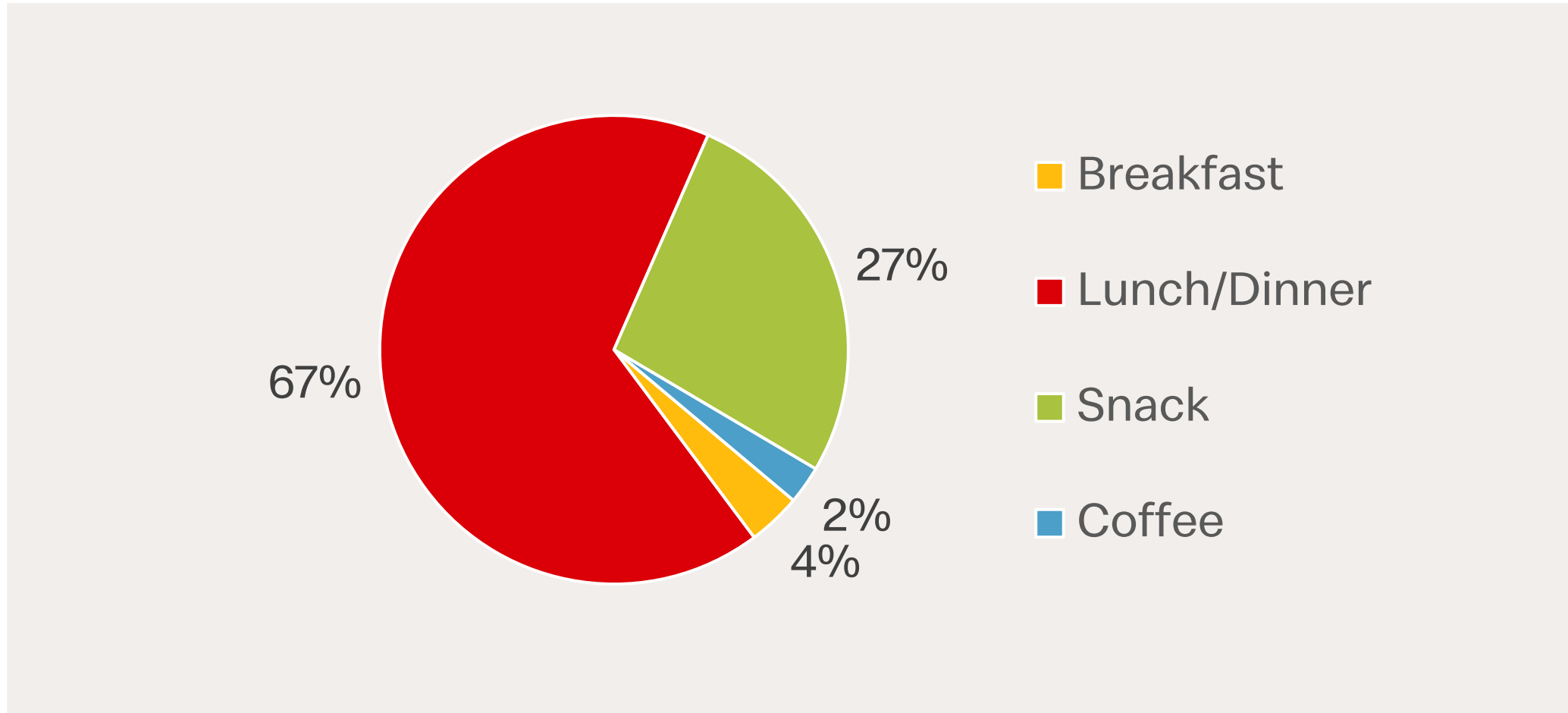
- **Gourmet burger meals:** new range of indulgent, more filling burgers
- **Value for money** burger meals at various price points
- Chicken-led meals through the **McSpicy Fried Chicken**

### Continued leadership in snacking:

- McDonald's as the **ultimate snacking choice**
- **Wide range** of snacking options
- **Safer and tastier** options compared to roadside vendors

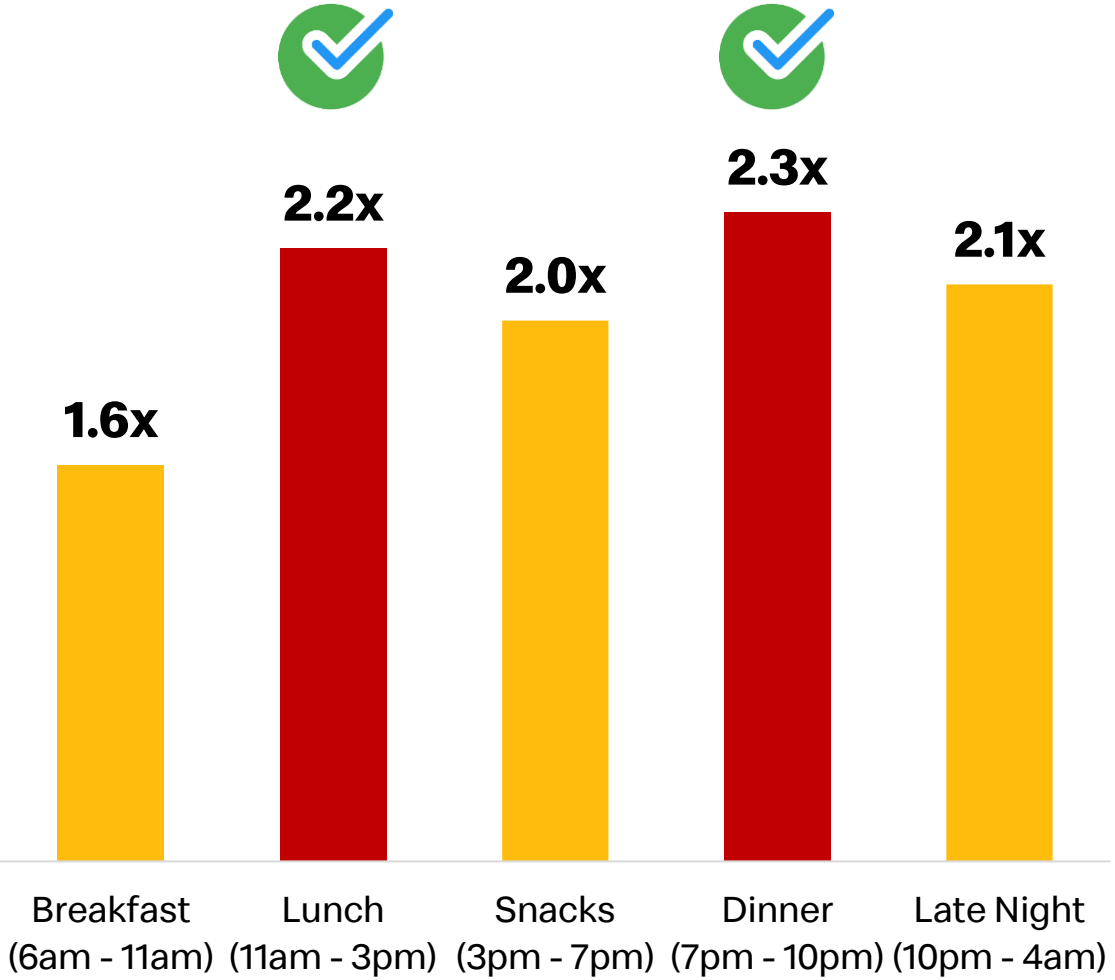
# Meals dayparts present the largest growth opportunity in the next 5 years

**Mealtimes will represent ~67% of India's Dine-out spend in the next 5 years**





# Targeted focus on Lunch and Dinner dayparts to build meals leadership



Commit to the Core

Burgers

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Chicken

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Coffee

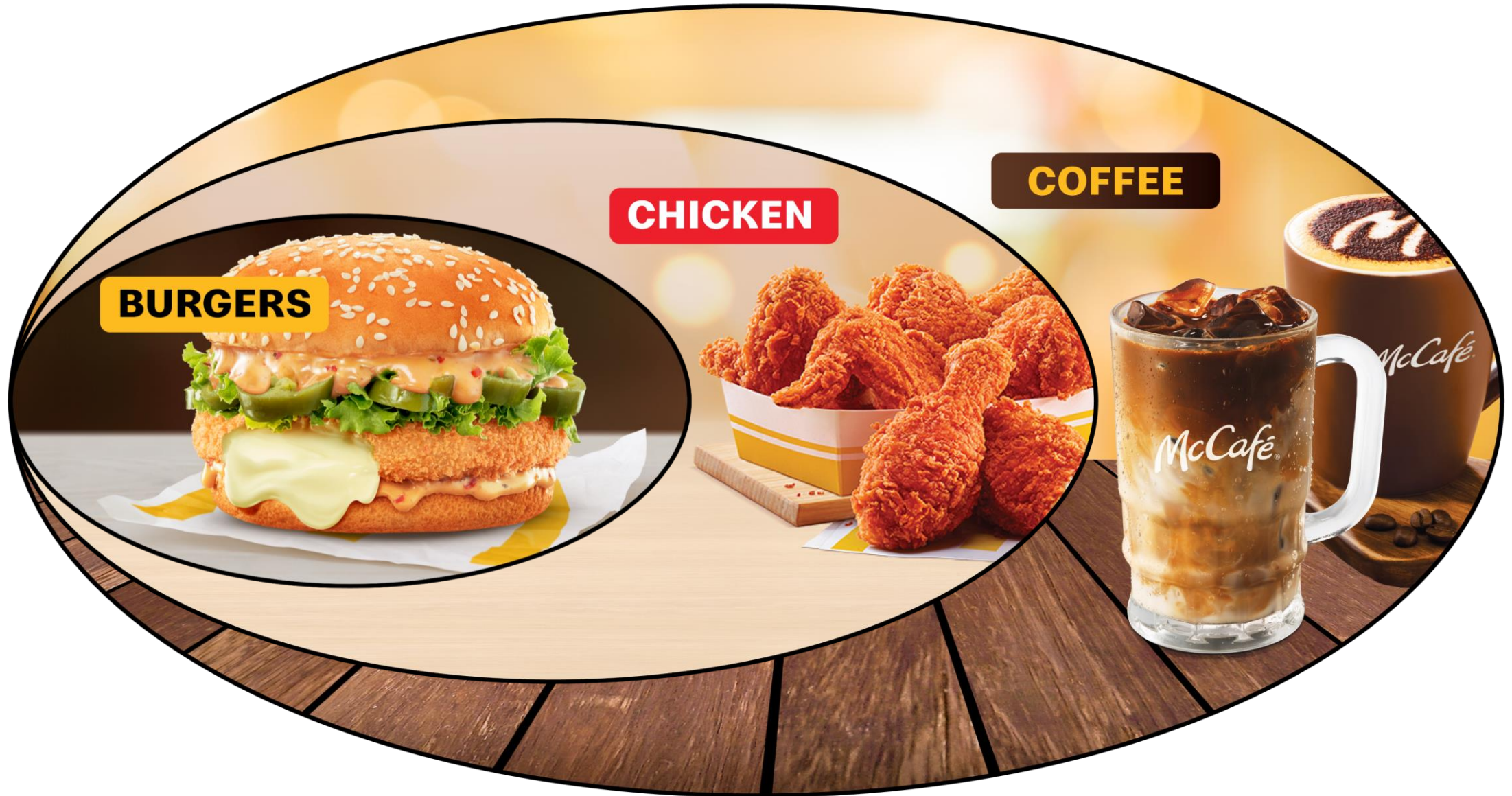
Maximize our Marketing

**Family Marketing**

**Brand Trust**

Meals Leadership

# Robust menu strategy going forward to drive business growth



# Burgers | We have built burger leadership through burger offerings for all occasions



## Classic burgers



**Core, iconic burgers** that are bestsellers on the menu and have become staples for burger lovers in the country

## Indulgent burgers



A new range of **premium, indulgent, and more filling burgers** which are suited to the flavor trends in the market

## Burger meals



Bundles and add-ons to help choose from a host of **pocket-friendly and delicious combos**, and create wholesome burger meals

# Burgers | Our comprehensive burger pricing ladder allows for effective customer acquisition and retention



Top tier



Mid tier

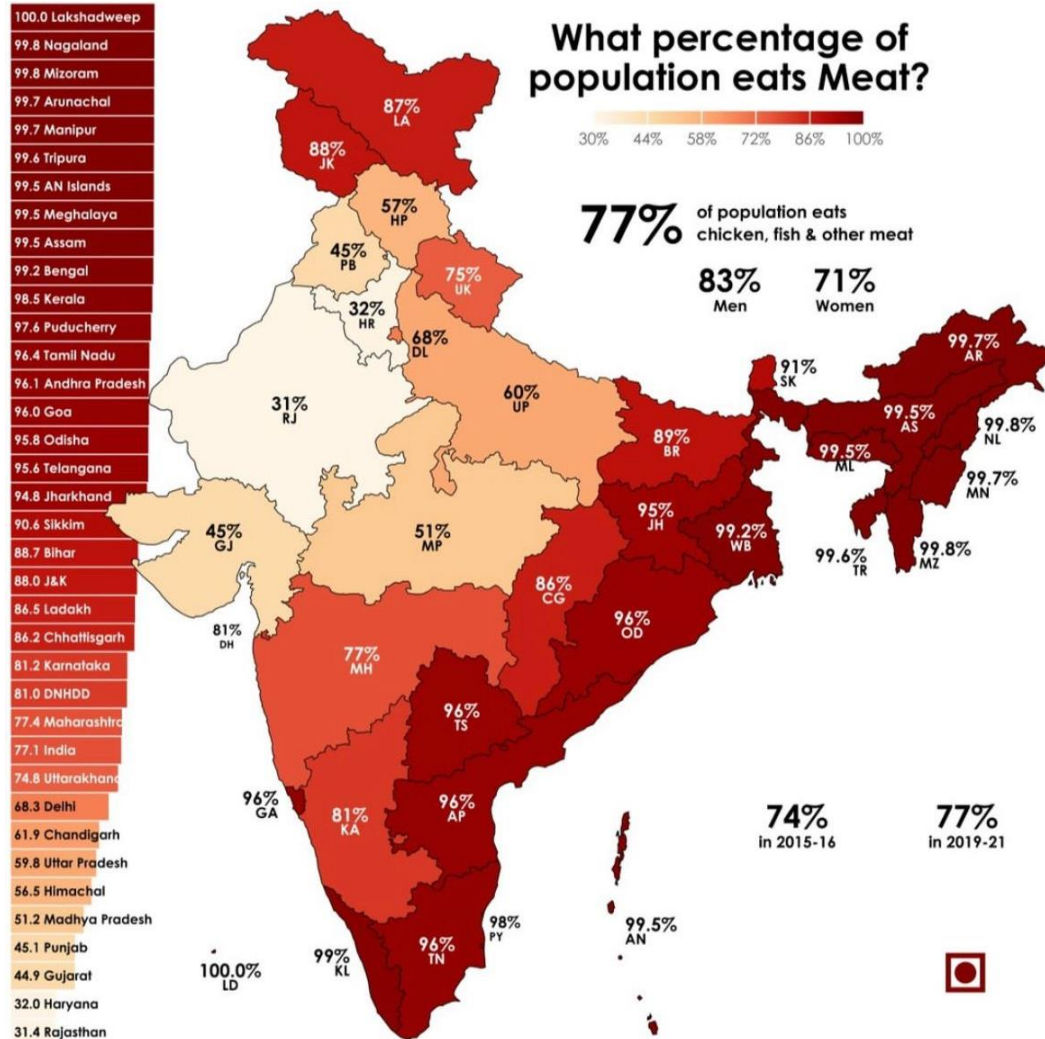


Entry level

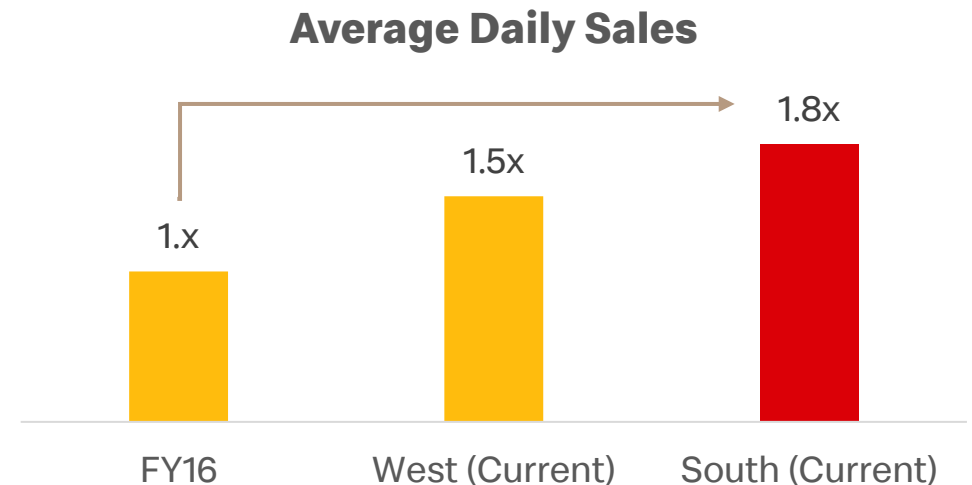


Price >>

# Chicken | Chicken-forward products are key to winning the QSR market in South India



- 95% of consumers in South India are Non-Vegetarians
- This set of consumers prefer a piece of spicy fried chicken (on the bone)
- New chicken product launches in the last 5 years have helped boost AUV in South because of product and brand relevance**



# Chicken | A comprehensive chicken portfolio would enable us to enhance product relevance in the South



## Three Tiers of Chicken Burgers and Wraps

**Top**  
Tier

**McSpicy Chicken Premium**



**McCheese Chicken**



**Chicken Maharaja Mac**



**Big Spicy Chicken Wrap**



**Mid**  
Tier

**McSpicy Chicken**



**McChicken**



**Chicken & Cheese**



**Entry**  
level

**Chicken Kebab**



## Boneless



**Chicken McNuggets**



**Chicken Strips**

## Bone-in



**McSpicy Fried Chicken**



**McSpicy Fried Chicken wings**

# Chicken | McDonald's commands the chicken market globally, with an extensive library of iconic products

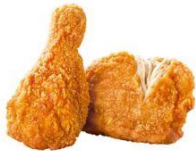
## Taiwan



BLT Spicy Crispy Chicken Leg Burger



Original Wheat Crispy Chicken Wings



Spicy Crispy Chicken Drumsticks



Spicy Crispy Chicken Wings

## UK

Chicken Selects®



## Japan



Shaka-Chicki



Chicken Crisp Muffin



Gohan Chicken

## Hong Kong



Grilled Chicken Twisty Pasta



Honey BBQ Crispy Thighs

## Indonesia



Spicy Chicken Fingers



Spicy Chicken Bites



PaNas 2 Ayam Kimchi

## USA

Deluxe Crispy Chicken Sandwich



## Malaysia



GCB - Grilled Chicken Burger



Ayam Goreng McD™

## Italy

Salad with Crispy Chicken Breast



## Singapore



Grilled Chicken Salad



Buttermilk Crispy Chicken



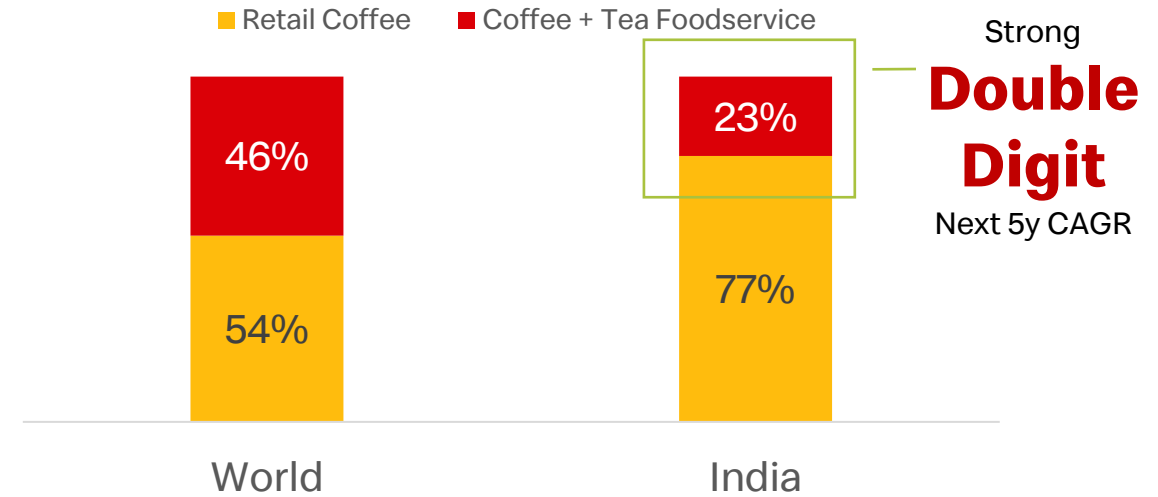
Breakfast Wrap Chicken Sausage

# Coffee | An ever-increasing consumer base for coffee led by growing affinity of the Millennials and Gen Z



Gen Z-need a good cup of coffee that matches their **on-the-go lifestyle**

- **69% Indian millennials** see coffee as companion during conversation
- ~50% prefer to grab a cup of coffee when they catch up with a **friend**, meet a **client** or go on a **first date**



Overall **coffee consumption in India** is **lower** compared to other Asian countries, but is **expanding**

Consumers are trading up into **fresh coffee consumed away from home**

**Coffee drinking** is becoming a **culture in India**



# Coffee | Our objective is to become category leaders in the Coffee market in our region by inducting new consumers



**Drive awareness**  
for great tasting  
coffee by McCafé



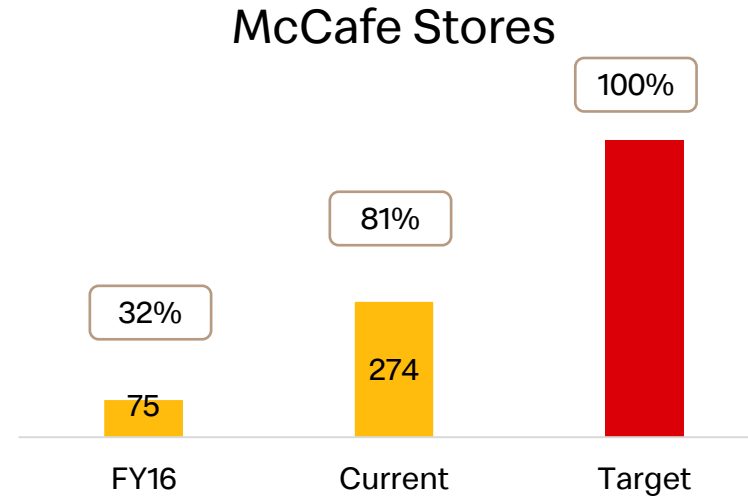
**Build credibility**  
for quality  
McCafé Coffee



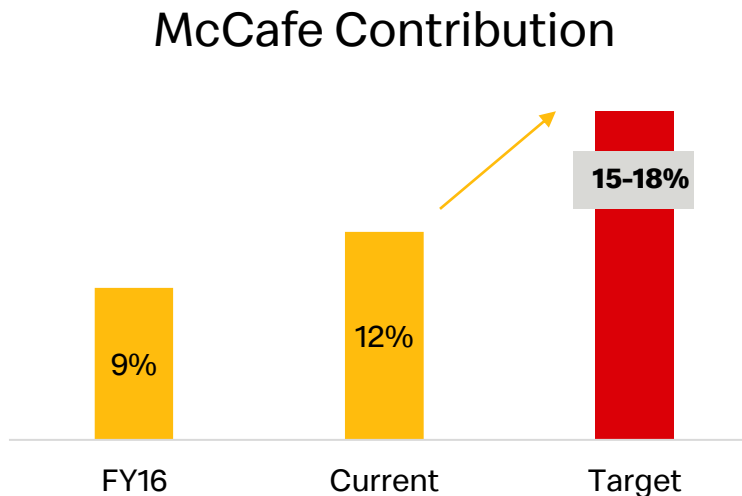
**Build habit** by  
increasing  
frequency of  
consumption



**Deliver** quality  
coffee at great  
prices



**100%**  
McCafe  
Penetration



**15-18%**  
McCafe  
Contribution

Note: % of sales for Stores with McCafe

# Coffee | Our wide-ranging McCafé menu offers a plethora of options for all taste choices

## COFFEE

### Hot coffee

- Cappuccino
- Latte
- Americano
- Flat White
- Filter Coffee
- Mocha
- Hot Chocolate
- Espresso



### Cold coffee

- Cold Coffee
- Iced Coffee
- Iced Americano



## INDULGENCE

### Frappes & Shakes

- Mocha Frappe
- Chocolate Frappe
- American Mud Pie
- Chocolate Shake
- Strawberry Shake
- Cobranded Shakes



### Smoothies

- Mango Smoothie
- Mixed Berry Smoothie



### Cooler

- Sweet Lime Cooler
- Berry Cooler



## TEA

### Hot tea

- English Breakfast Tea
- Strawberry Green Tea
- Moroccan Mint Green Tea



### Iced tea

- Lemon Chiller
- Strawberry Chiller
- Green Apple Chiller



### Sweet treats

- Vanilla Choco Muffin
- Chocochip Muffin
- Chocolate Express Cake
- Blueberry Cheesecake



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Integrate various channels and touchpoints to a One McDonald's platform in order to provide consumers a seamless experience

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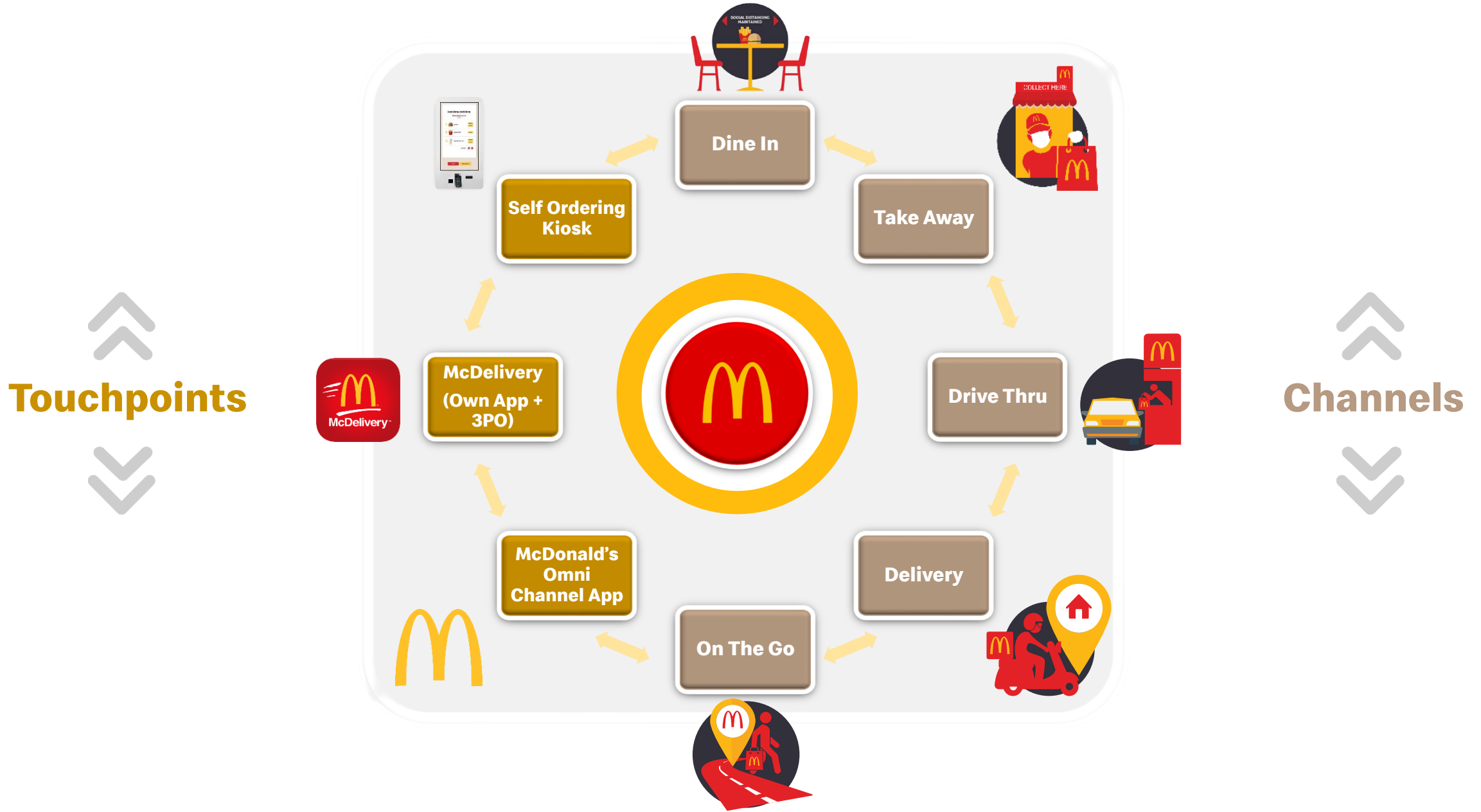
Penetrate unserved geographies and fortify existing markets with renewed aggression

**04**

## **Lead with performance**

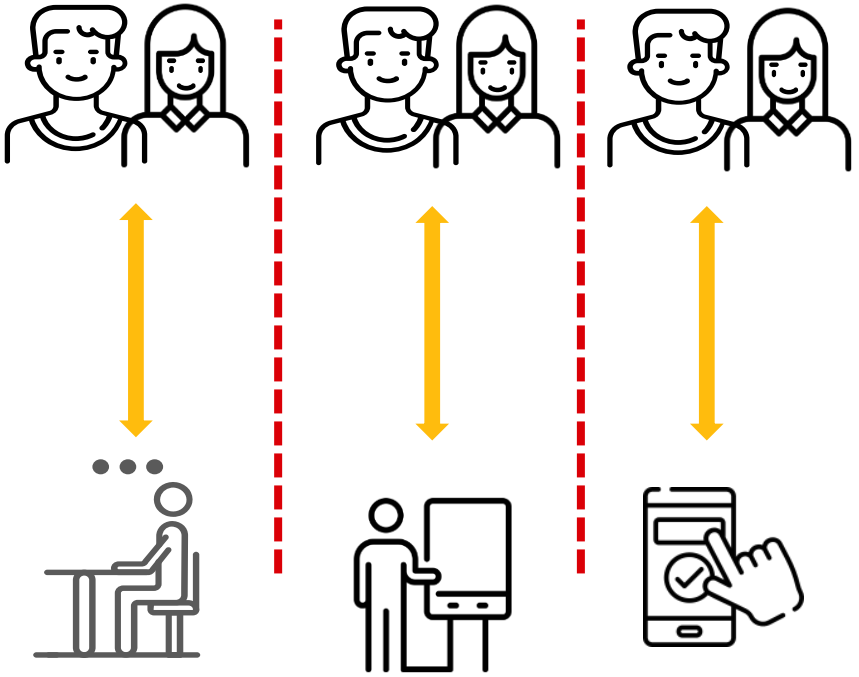
Targeting superior business performance and operating efficiency through execution excellence

# Built a robust Omni Channel business model..

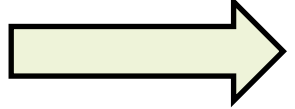


# ..now transforming into a digitally integrated brand to enable a seamless customer experience across touchpoints

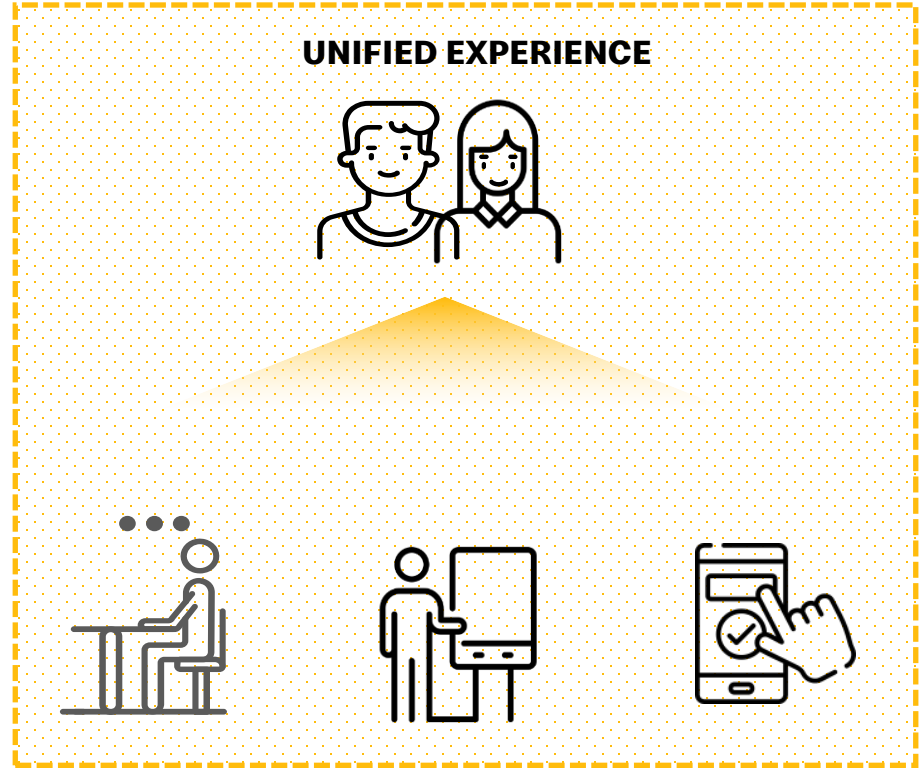
## MULTI TOUCHPOINTS



Blurring the lines between channels to provide a seamless experience



## UNIFIED EXPERIENCE



- ✓ Coherence across channels
- ✓ Integrated offers

- ✓ Higher efficiencies
- ✓ Rich data on customer behaviors



**Brand forward** experience & Customer **Loyalty**

# One McDonald's



# One McDonald's



**In the Restaurant**

# In the Restaurants | Give our customers Experience of the Future

<p><b>Table Service</b></p> <p>Relaxed family-friendly dining experience</p>	<p><b>Kiosk Ordering</b></p> <p>In control, comfortable, and confident ordering</p>	<p><b>Split Counter</b></p> <p>Reduced front-counter crowding and easy order pick up</p>
<p><b>Guest Experience Leader</b></p> <p>Welcoming and helpful hospitality leaders</p>	<p><b>Mobile App</b></p> <p>Fun and easy-to-use technology</p>	<p><b>Modernized Menu Boards</b></p> <p>Elegant and informed ordering</p>

**Significant**

Improvement in Consumer experience

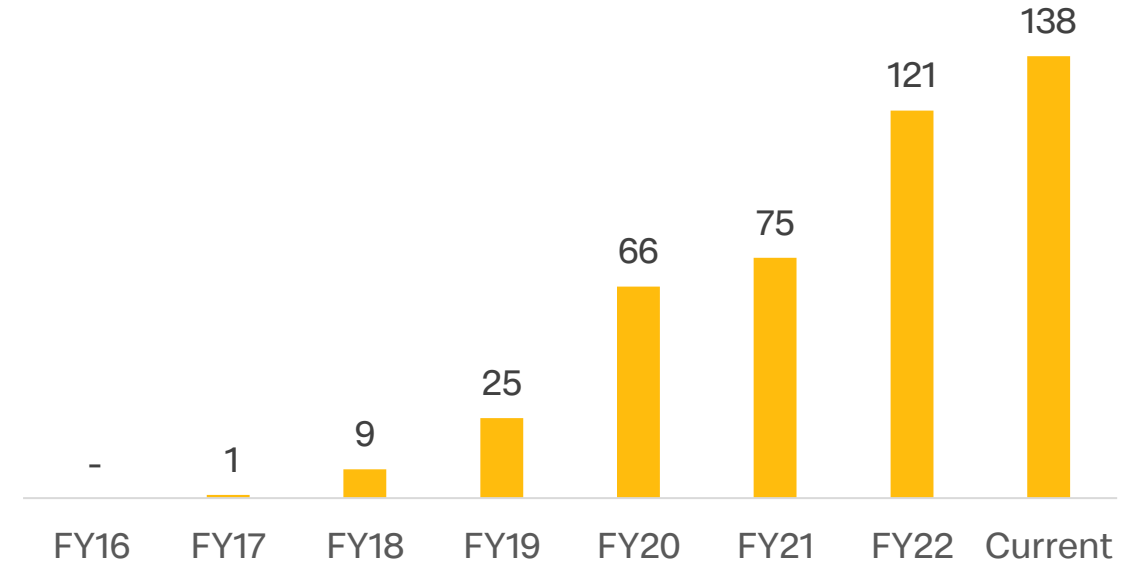
**Higher**

Average Check in orders via SOKs

**30-35%**

Return on Incremental Invested Capital

## Reinvestment journey, EOTF stores



**100%**  
EOTF stores by 2027  
(vs 48% today\*)

\* Percentage of total eligible store base



Before



# Jayanagar Bangalore

After



Before



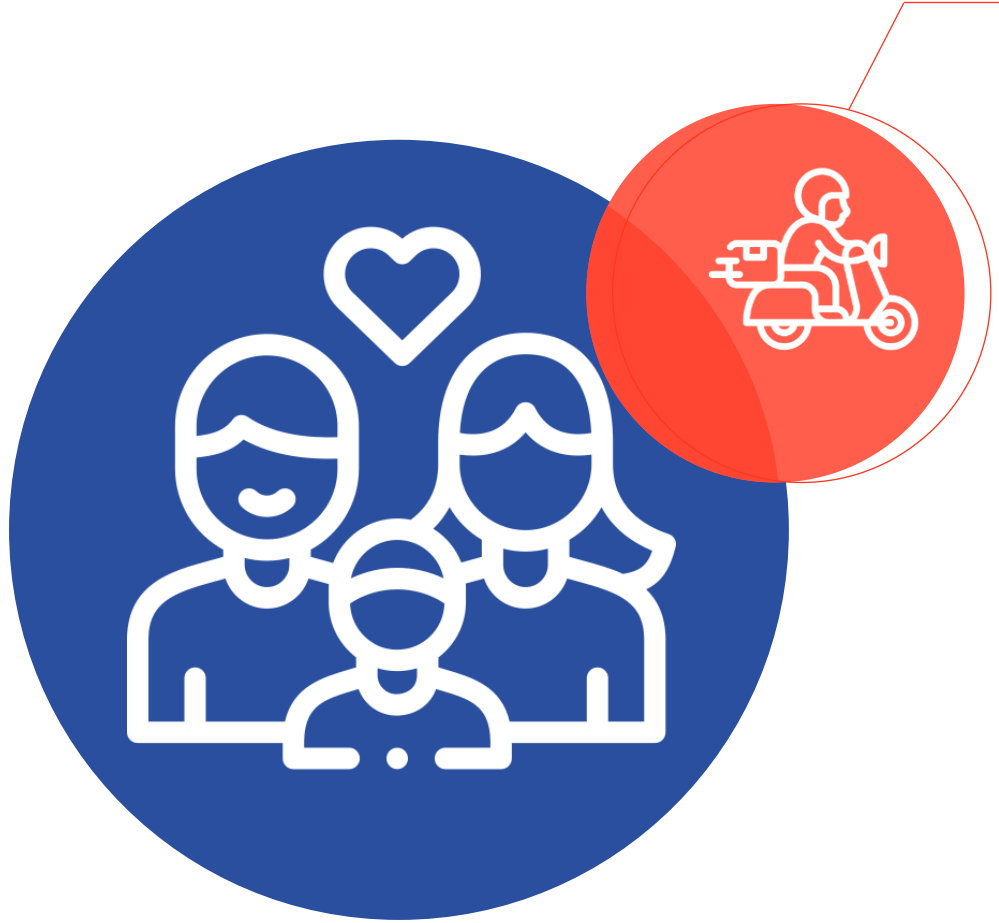
# Hinjewadi Pune

After



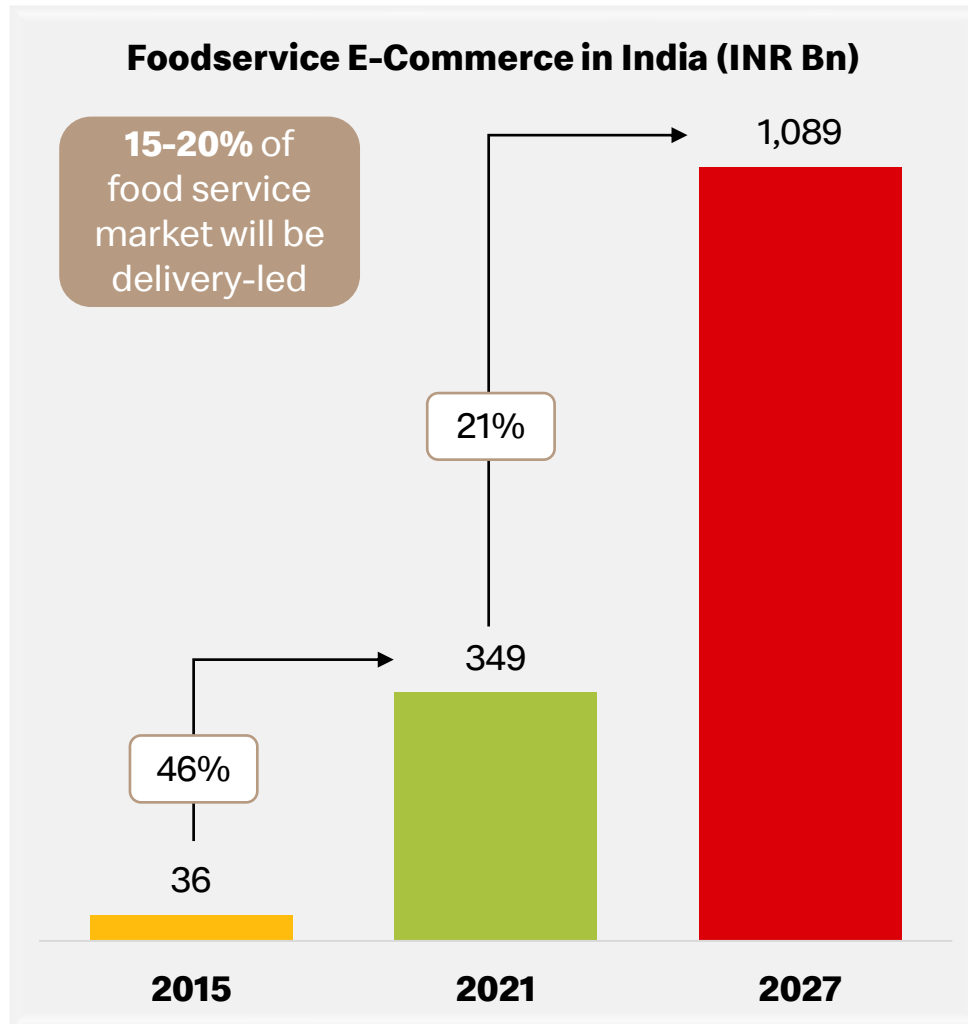
# One McDonald's

**At home**

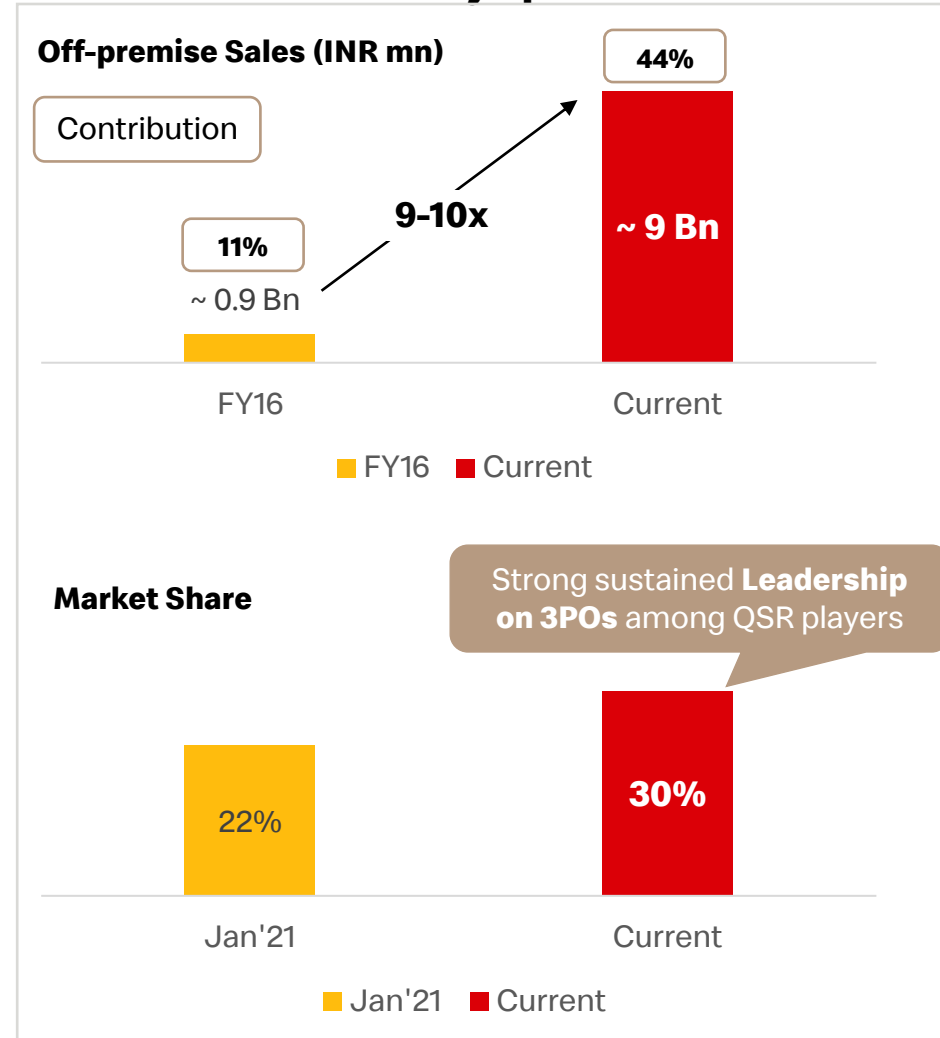


# At home | Bolstering leadership amidst rapid shifts in consumer behavior patterns

Food delivery market will continue to grow...



...we have achieved leadership in the food delivery space



**~40%**  
Contribution target from off-premise over the medium- to long-term

# At home | Two-pronged strategy for delivery growth

## Fortify partnerships with 3POs

- Proactively engaging with partners
- Improve delivery times, recruitment, frequency and consumer experience
- Initiated several pilot projects

✓ **Enhance market positioning**

✓ **Strengthen longterm relationship**



## Build key value proposition for own app

- Make it Easy, Available, Fast and Personal
- Easy discovery and customisation
- Faster and better delivery experience
- Relevant packaging innovation
- Personalisation in customer journey
- Exclusivity in product availability

✓ **Robust mobile ordering platform**

✓ **Own delivery fleet**

✓ **Increase delivery hubs**

✓ **Unlock scale efficiencies**

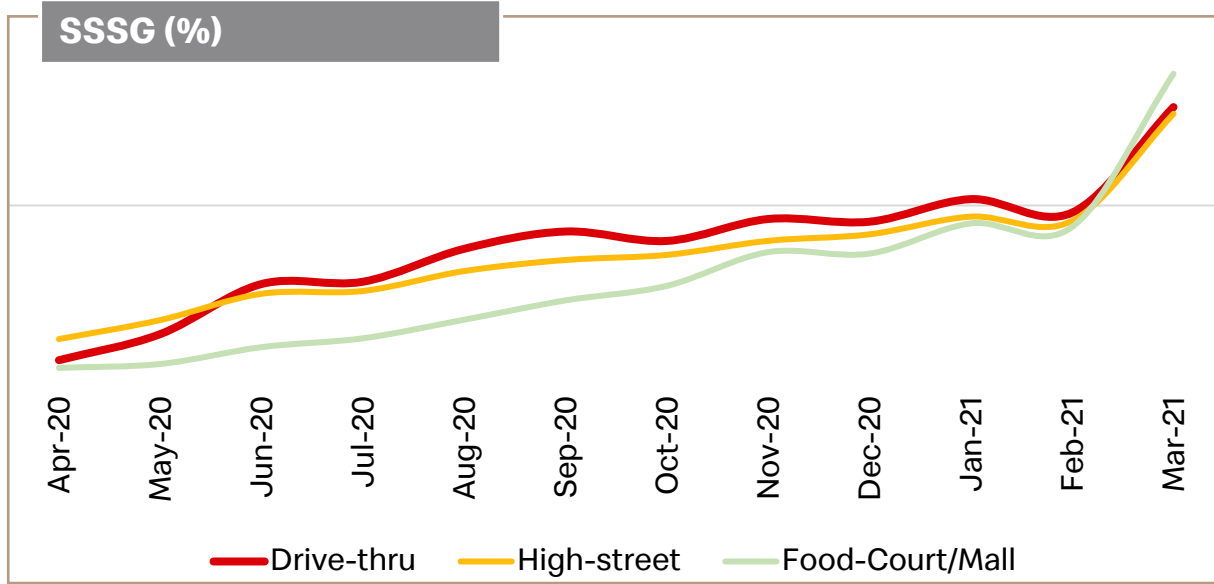
# One McDonald's



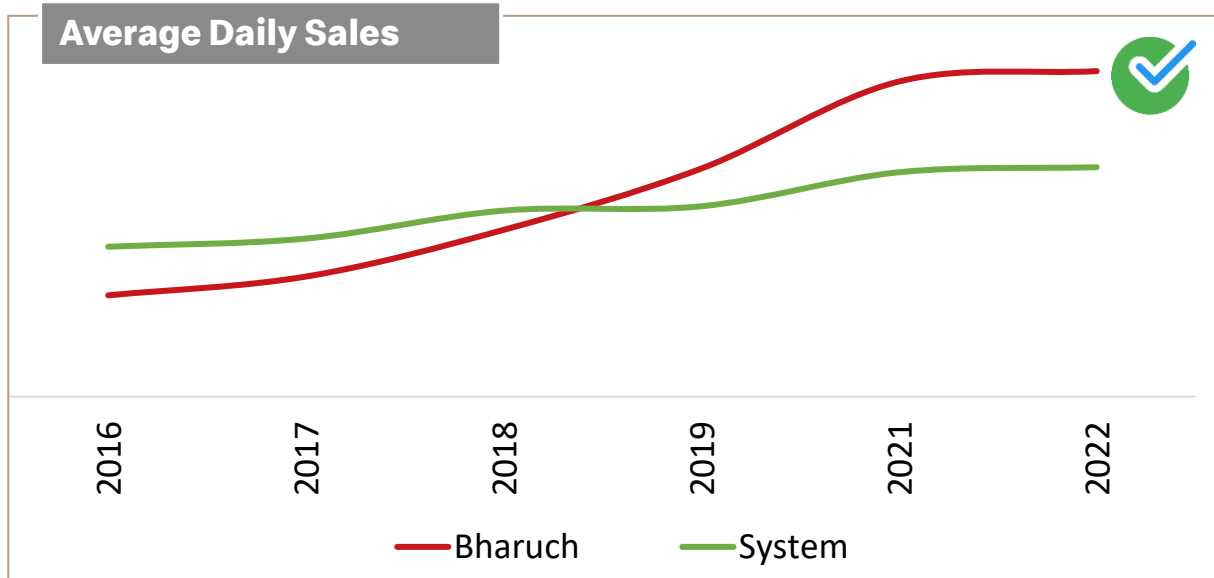
**Food On The Go  
(Drive-thru)**

# Food On The Go | Drive-thru stores have witnessed increased adoption westlife

## Case example: Bharuch



**Drive-thru stores led the recovery path** vs high-street and mall/food-court stores



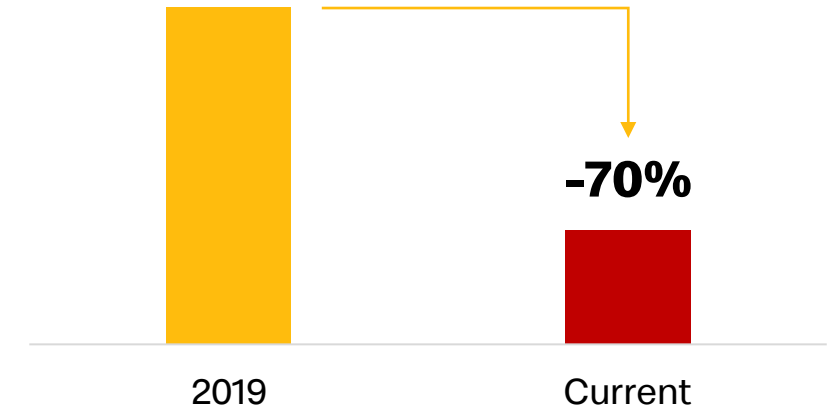
**~40%**  
Higher than system

# Food On The Go | Creating a long-term competitive advantage

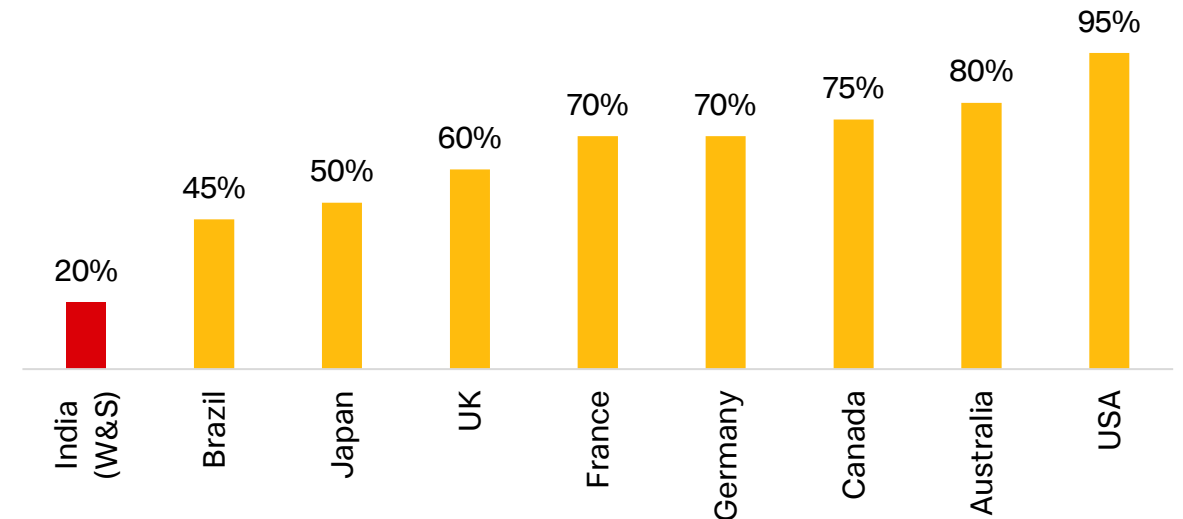
- **Building drive-thru destination stores** across all city suburbs and national highways
- **Enhancing convenience** through 120 seconds service promise
- **Destination DT stores command 1.5x higher Avg. Sales Per Store** vs other stores on an average

**30-35%**  
New stores likely to be Drive Thrus

Speed of Service, secs



Estimated McDonald's Drive Thrus stores, %





# One McDonald's

At home

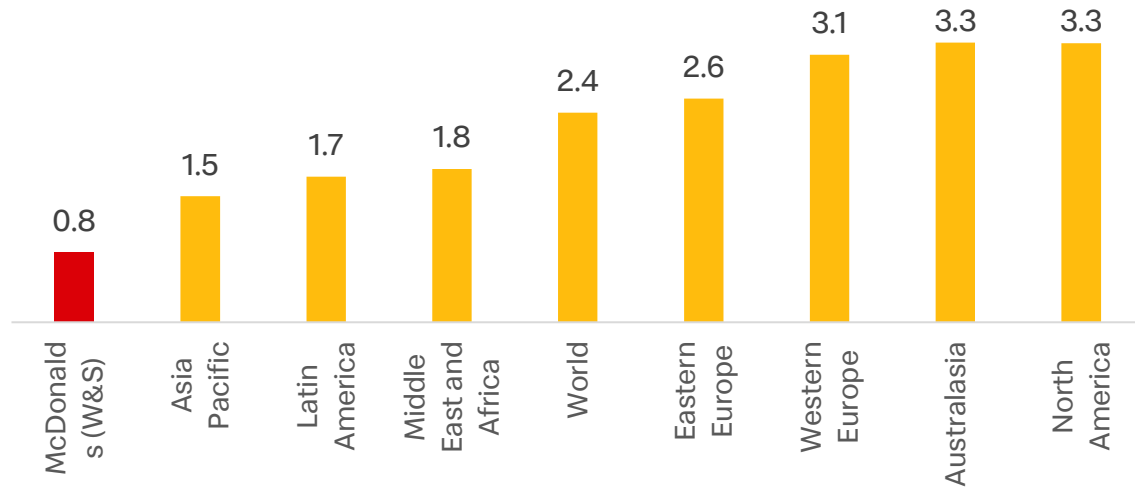
What is our AUV potential?

In the Restaurant

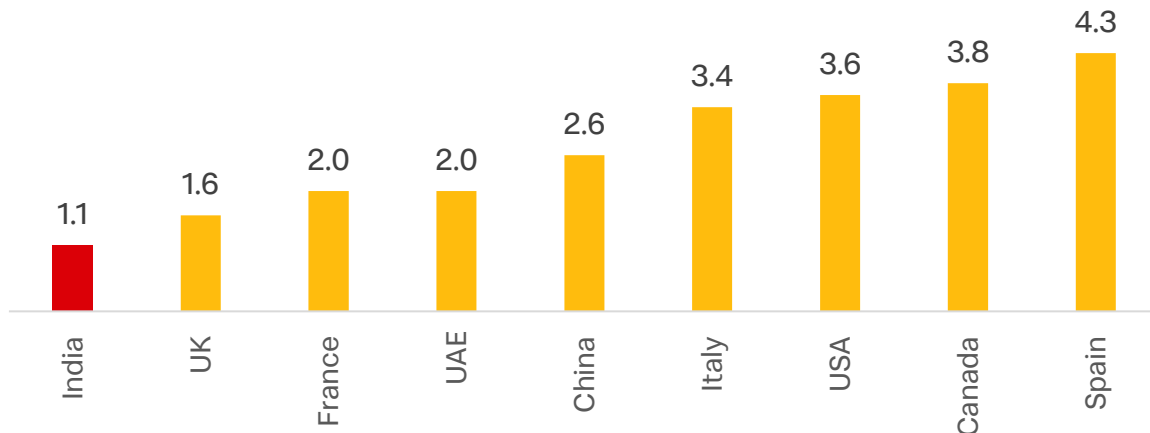
On The Go

# Significant prospects for growing the AUV further

Estimated Avg. Annual Sales Per Store, \$



Eating Out frequency, per week



**1.8x**  
Avg. Sales of Top Decile of stores

112  
(\$ 1.4 mn)



63  
(\$ 0.8 mn)

Top 10% stores

System

**Avg. Annual Sales Per Store (INR Mn)**



Note: USD INR 80; Source: Company estimates, Euromonitor, Gira



# Vision 2027

01

## Meals Strategy

Achieve market leadership in core day parts through brand relevance led by menu innovation and marketing

---

02

## Omnichannel Strategy

Integrate various channels and touchpoints to a One McDonald's platform in order to provide consumers a seamless experience

---

03

## Faster than ever Network Expansion

Penetrate unserved geographies and fortify existing markets with renewed aggression

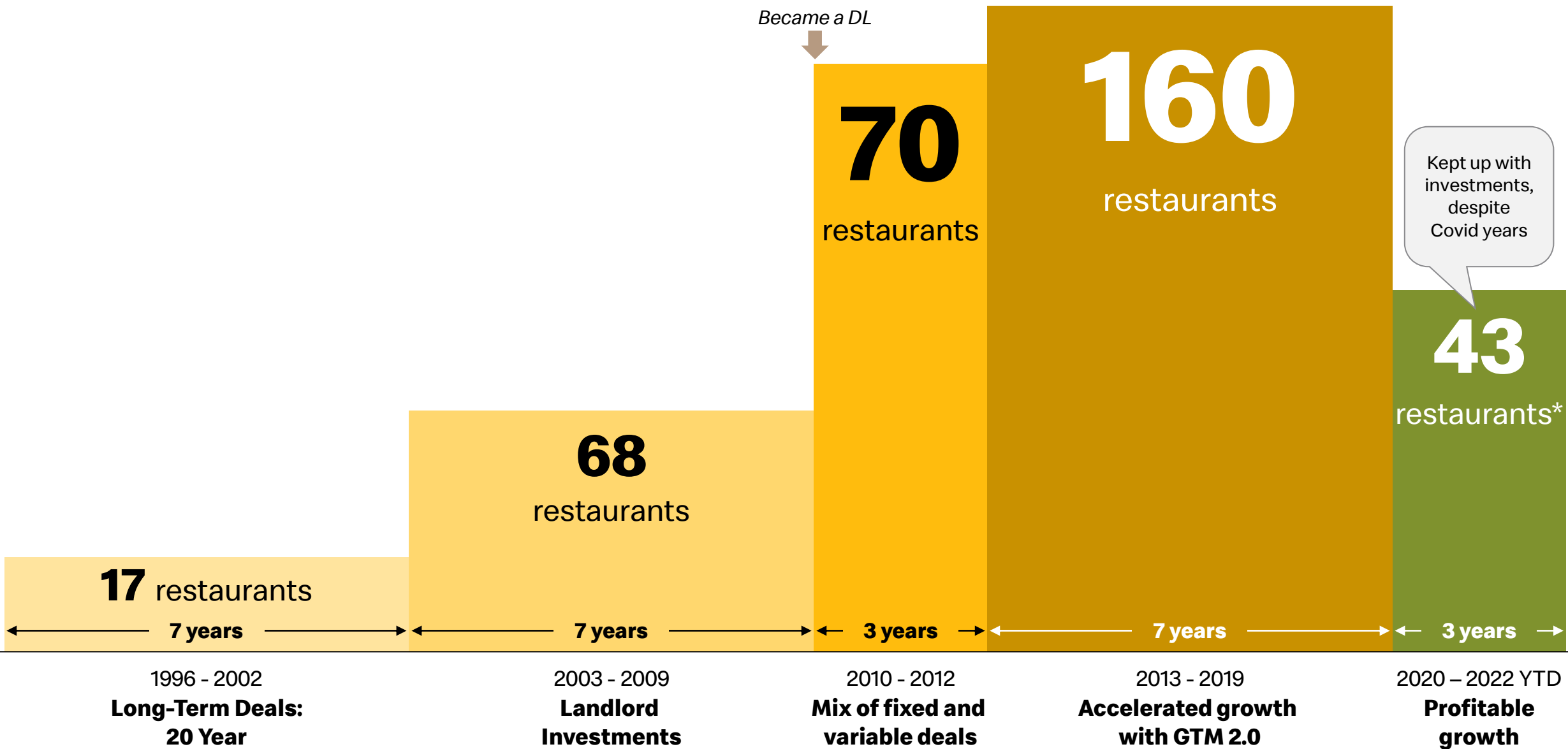
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04

## Lead with performance

Targeting superior business performance and operating efficiency through execution excellence

# Steady pace of network expansion over the last 25 years

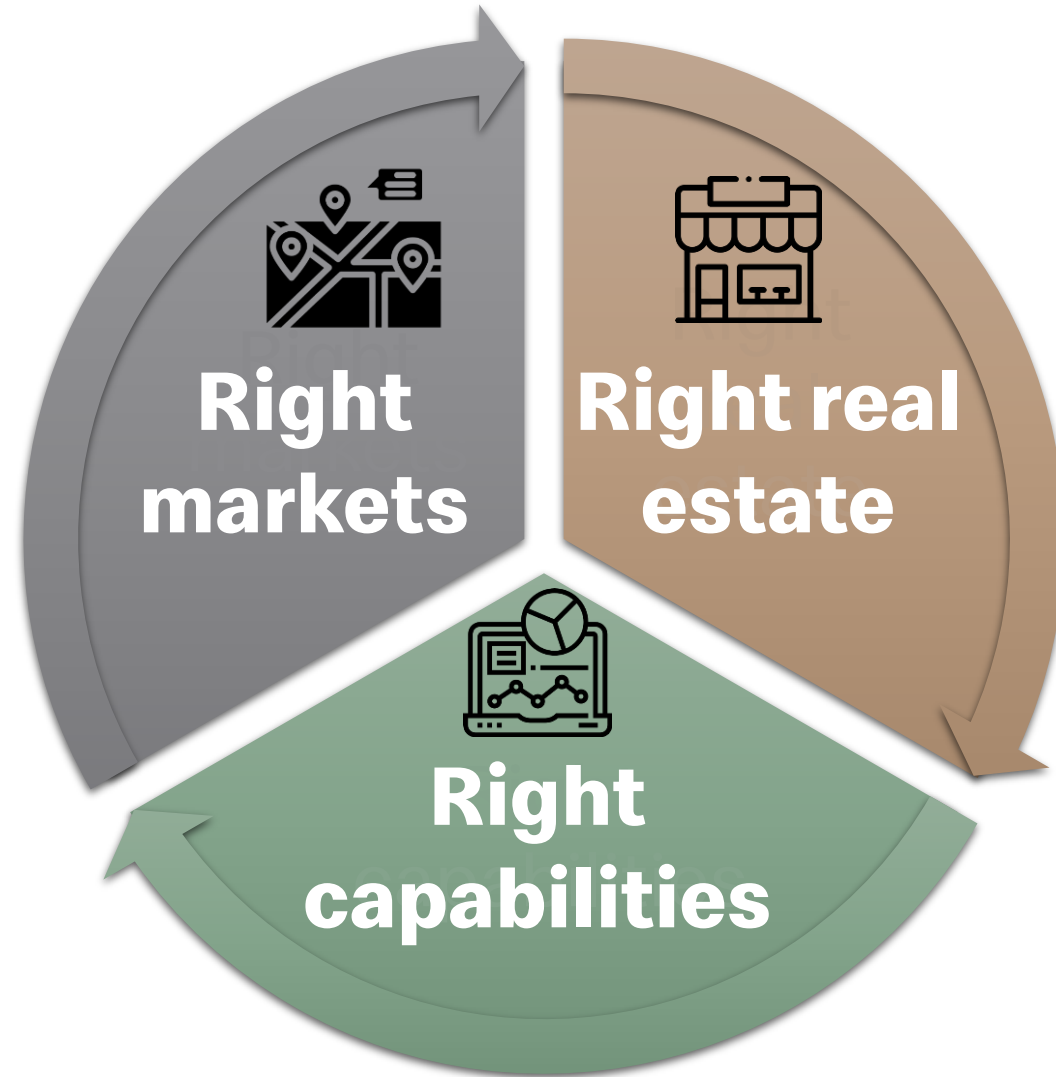


Kept up with investments, despite Covid years

Became a DL

restaurants\*

# Faster than ever Network Expansion

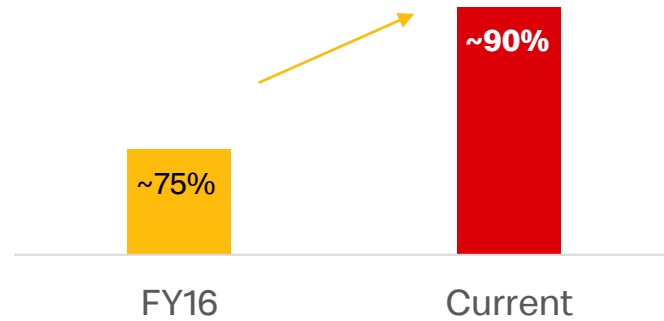


# South presents a compelling case for higher investments

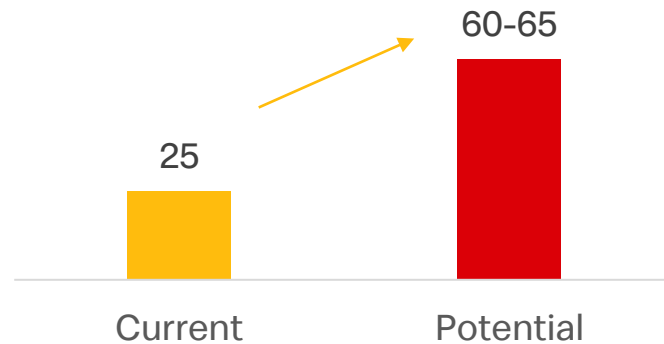
**Right to win** in South with growing product relevance led by chicken

**Need to Accelerate** growth in a currently underpenetrated South market

Same stores AUV: South vs System

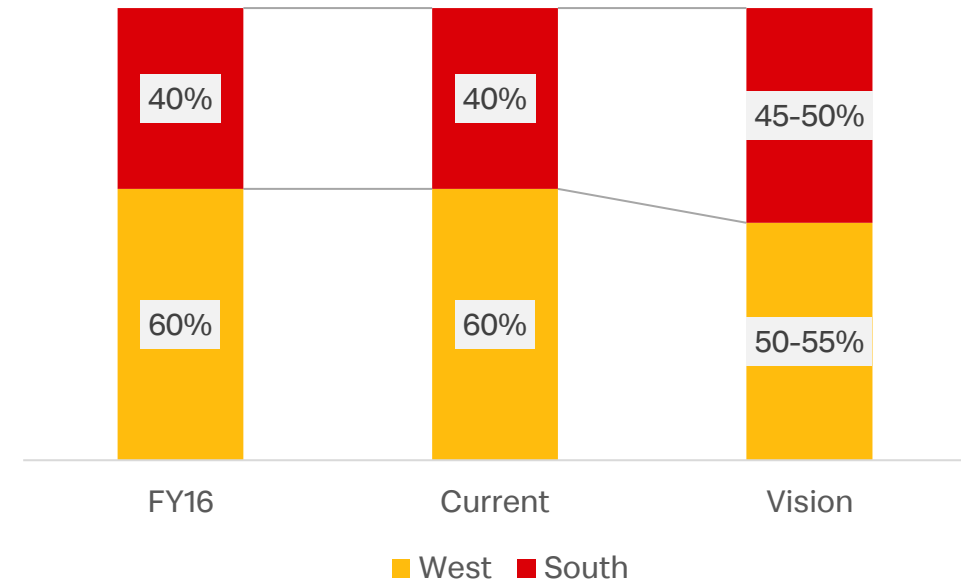


South Towns potential



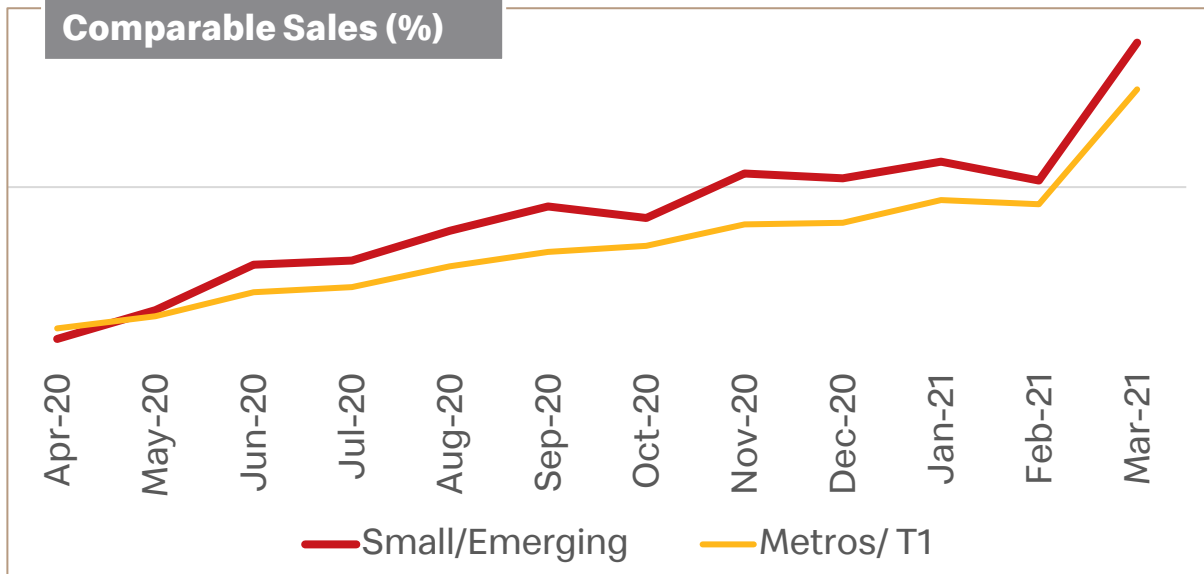
**~60%**  
New stores likely to be in South

Store Split



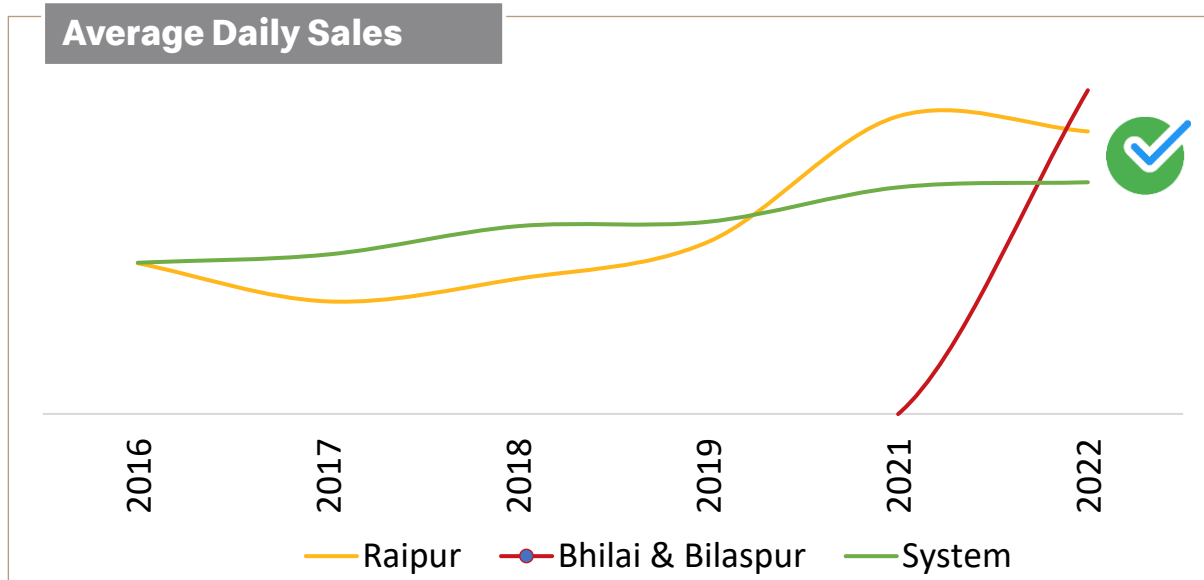
# Small and emerging towns are consistently outperforming

## Case example: Bhilai & Bilaspur







**Small and emerging towns had a faster recovery vs stores in Metros & T1 cities**

**50-60%**  
of new stores likely to be in Small and Emerging towns



**~40% higher than system.** Ahead of other new stores opened in Gujarat, ROM, MMR & South region

# Value accretive store format over the long-term

	<b>Smaller Store</b> (Delivery focused)	<b>Standard Store</b> (Omnichannel)
Store size	~2000 sq. ft.	3000-3500 sq. ft.
Capex	INR ~25 mn	INR 32-40 mn
Seating Capacity	~40-50	100-120
Avg Unit Volume	Rs. 40-50 mn	Rs. 70-80 mn
Estimated SSSG	5-7%	7-9%
ROM	High in Short term 	High in Long-term 
ROCE	High in Short term 	High in Long-term 

Note: The above hypothetical analysis is based on McDonald's business model and not comparable to the industry

## Key business model differentiators

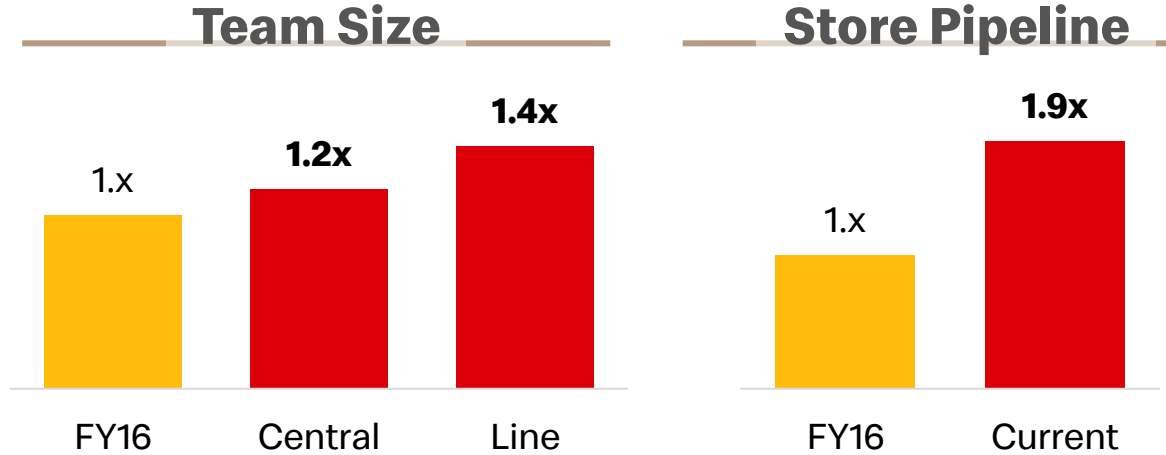
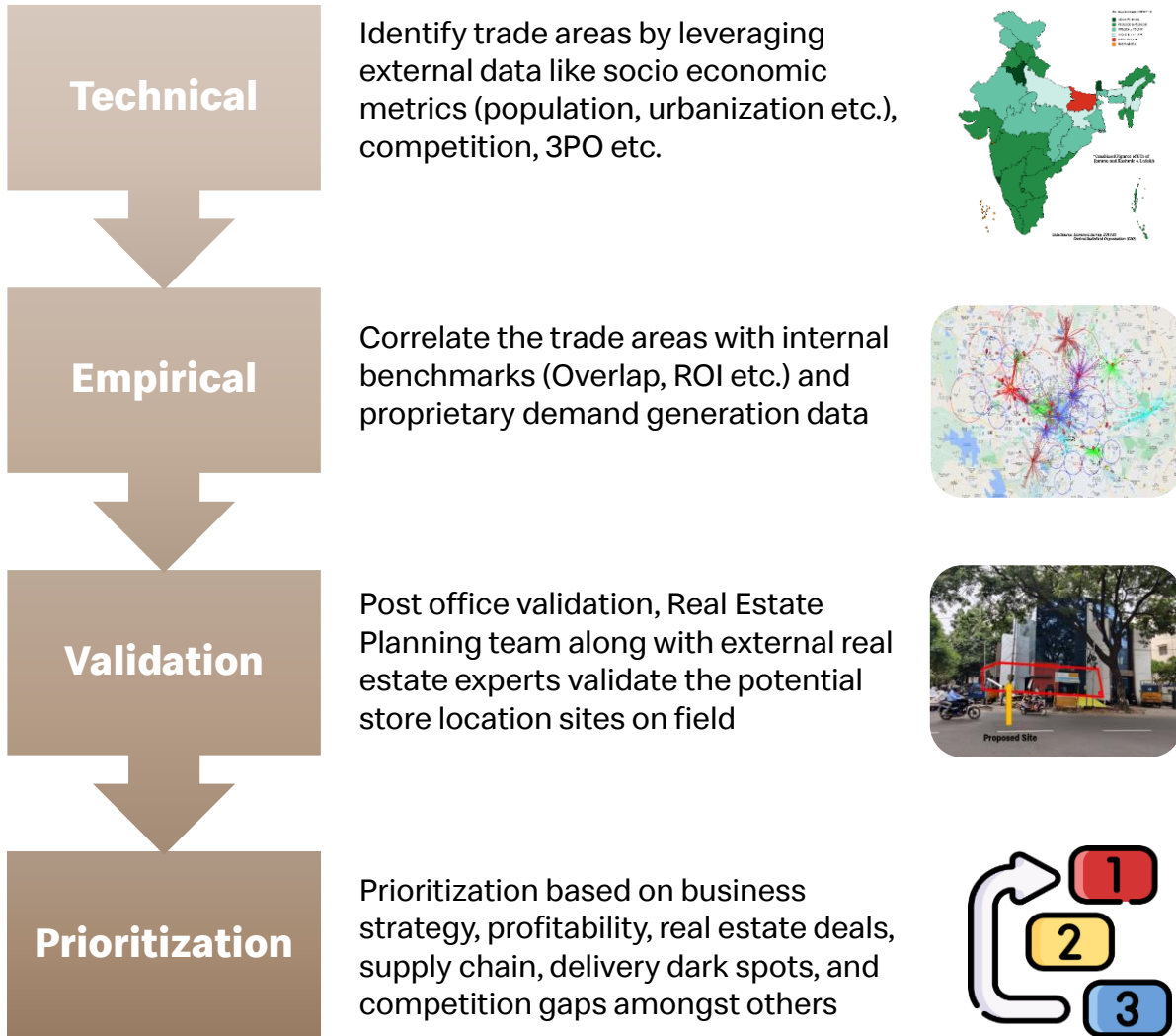
- ~ 2-3x longer leases and lower escalations vs industry
- Higher capex include McCafe, EOTF, DTs, Delivery infra and various utility optimization initiatives.
- Larger kitchen design inline with diverse
  - Categories
  - Channels
  - Dayparts
  - Cultural sensitivities
- ✓ **High volume focused store design** across all consumer touchpoints
- ✓ **Globally consistent experience** with long-term brand connect and affinity across age groups

Focus to remain on **Standard McDonalds Omnichannel stores** over the medium term



# Superior real estate capabilities to lead the execution

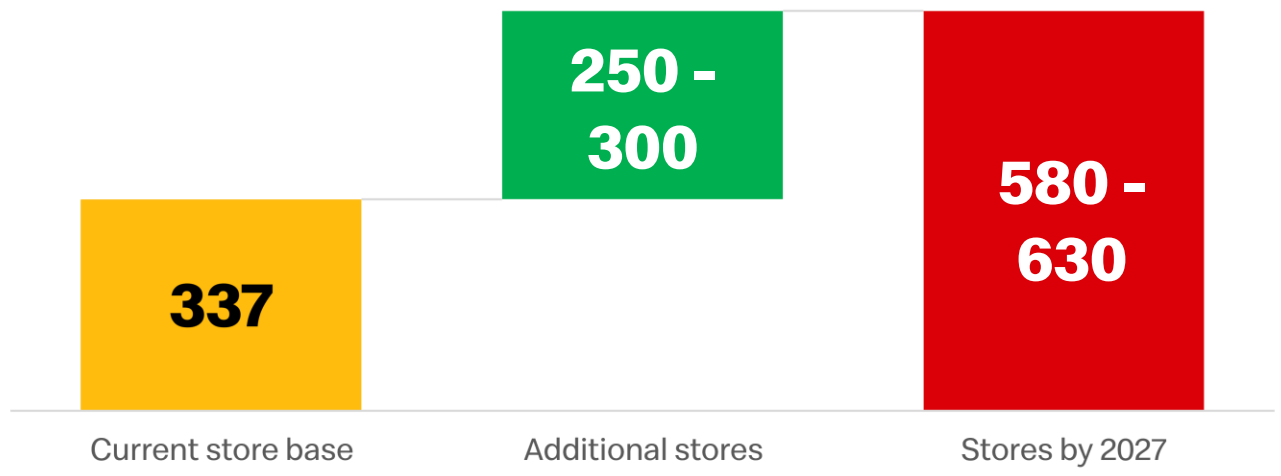
## Globally consistent and tested methodology to identify unserved markets



- Build long-term relationships**
  - Renewed leases of 7 marquee stores opened between 1996 and 2002 with same landlord and location
- Create iconic retail centers**
  - Ability to envision and build retail ecosystem around stores thereby creating new landmarks over long-term
- Continuous micro market study**
  - Regular revalidation of retail landscape for all stores through extensive trade area study and robust consumer surveys

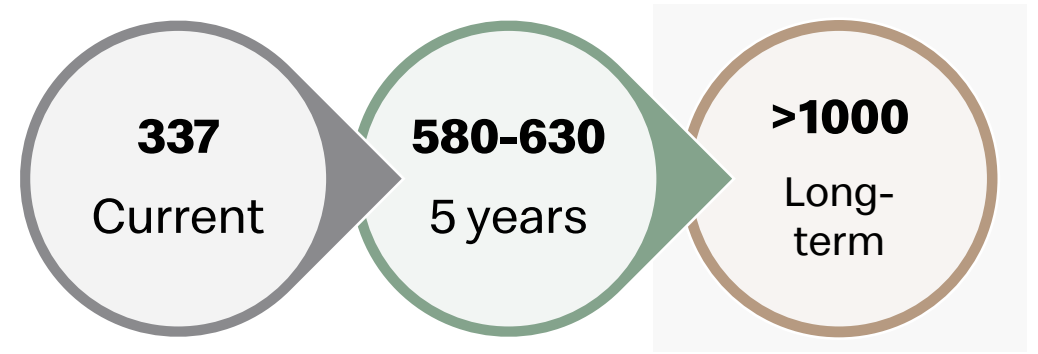
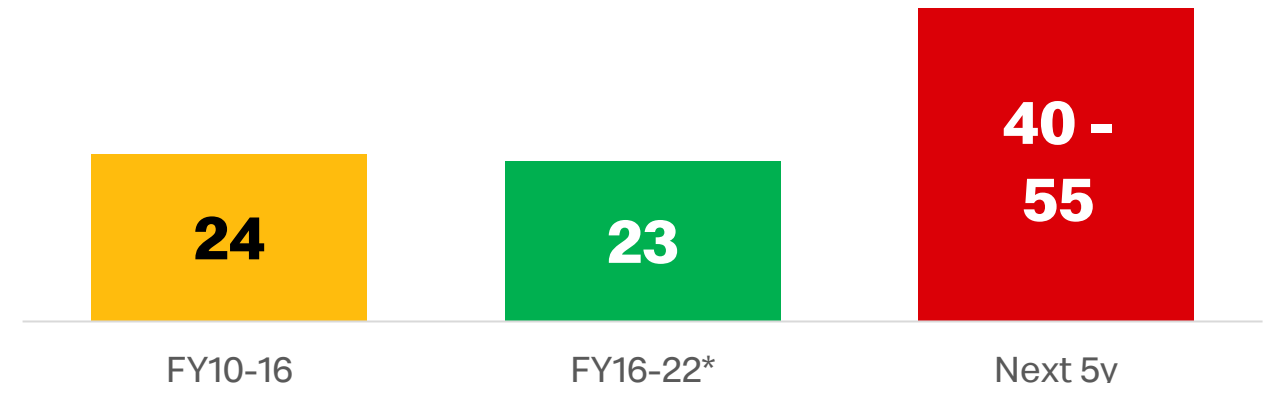
# We've identified an opportunity to extend our market leadership by adding 250-300 stores in the next 5 years

No. of stores



Renewed aggression with an aim to scale to **580-630 stores by 2027**

Pace of store addition



.. work on the **next ~200 stores** has already commenced

\*normalizing the impact of pandemic

**Examples of some new stores**



Bhartiya Mall, Bangalore

ನಲ್ಲು

# McDonald's



# McCafé



**Bhartiya Mall, Bangalore**



**DELICIOUS  
BURGER**

Menu board with categories: Shakes, Creamery & Chilled, Chilled Indulgences, Great Tasting Coffee, and McCafe logo.

Service counter area with a yellow coffee machine, cash register, and coffee-making equipment.

**McCafe**

Seating area with tables and chairs on the left side of the counter.

Seating area with tables and chairs on the right side of the counter, including a row of black bar stools.



Ashok Nagar, Chennai



**DELICIOUS  
BURGER**







T2 Airport, Mumbai



T2 Airport, Mumbai



Vellore



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Vellore



# Vision 2027

01

## **Meals Strategy**

Achieve market leadership in core day parts through brand relevance led by menu innovation and marketing

02

## **Omnichannel Strategy**

Integrate various channels and touchpoints to a One McDonald's platform in order to provide consumers a seamless experience

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## **Faster than ever Network Expansion**

Penetrate unserved geographies and fortify existing markets with renewed aggression

04

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Targeting superior business performance and operating efficiency through execution excellence

# Levers for long-term value creation

01



**Product Mix**

02



**Cost Savings**

03



**Operating Leverage**

04

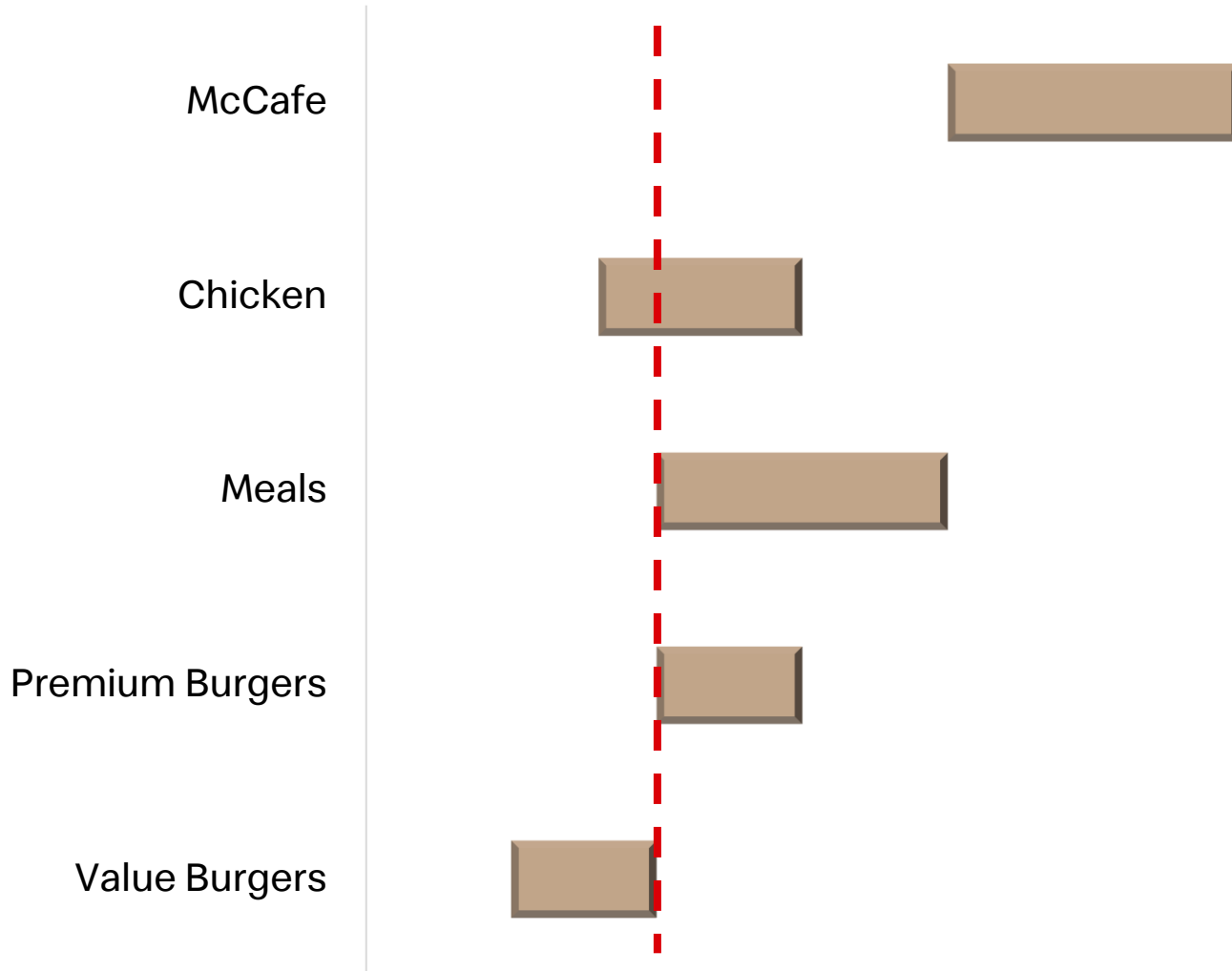


**McDonald's Corp  
Partnership**

**Long-  
term  
value  
creation**

# Evolving margin profile with evolving product portfolio

Indicative Margin Profile



- ✓ First leg of better product mix journey was driven by McCafes and Value combos/ bundles
- ✓ Next leg of product mix journey likely to be driven by Premiumization and Filling Meals strategy
- ✓ Systematic review of menu architecture to ensure new product launches are margin accretive

**100 – 150 bps**  
margin improvement target  
through product mix & net pricing

# Three key areas of focus in wave 2 of our strategic cost optimization program



## Managing inflation

- Negating impact on key cost heads like Food & Energy with initiatives beyond pricing actions
- Improve pricing effectiveness through menu architecture, policy and process support



## Cluster-based distribution

- Unlock supply chain efficiencies by setting up new (vendor) distribution facilities and (vendor) commissaries
- Realigning store opening priorities to optimise existing distribution infrastructure



## Governance across line items

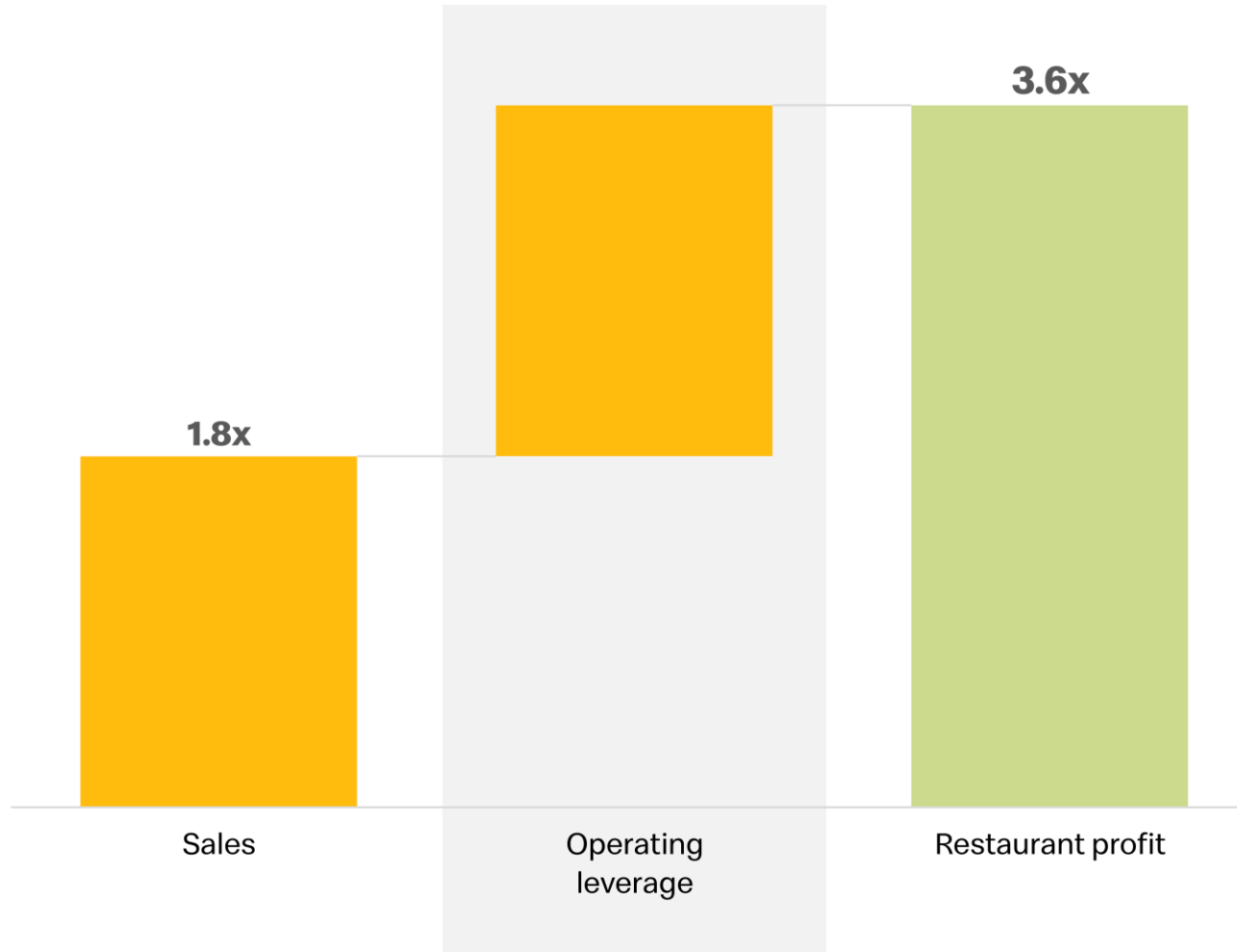
- Leveraging data analytics and ERP solutions to increase governance across various cost heads at store level
- Improving predictability and course correction capabilities through higher accountability and relative benchmarking

**80 –  
100 bps**  
margin  
improvement  
target  
through Cost  
Savings



# Scaling volumes to drive operating profits

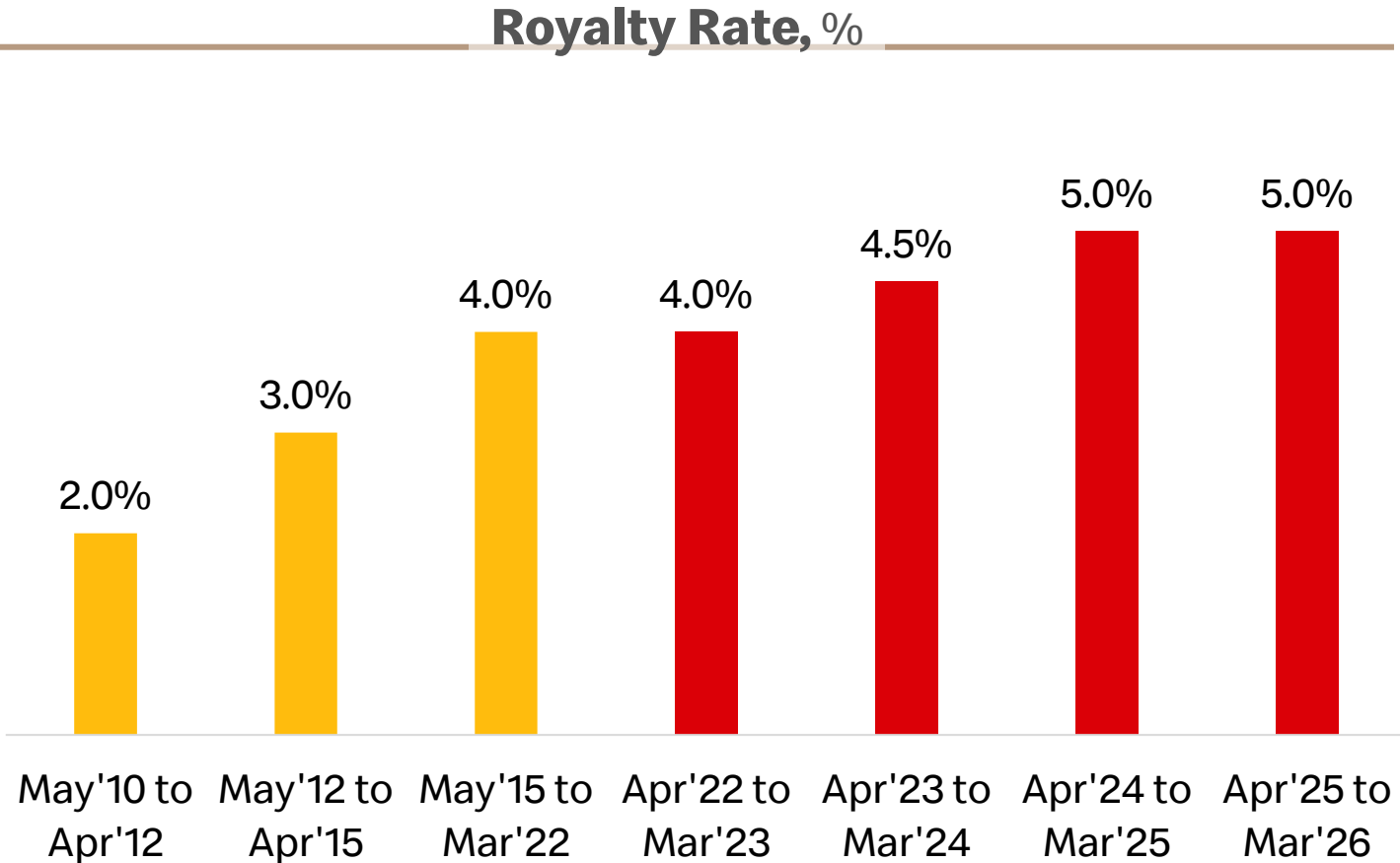
Top 10% stores vs System, Average per store



- ✓ Focus now on unlocking significant operating leverage potential by scaling up AUV towards marquee stores
- ✓ G&A costs as % of sales to reduce with larger store network

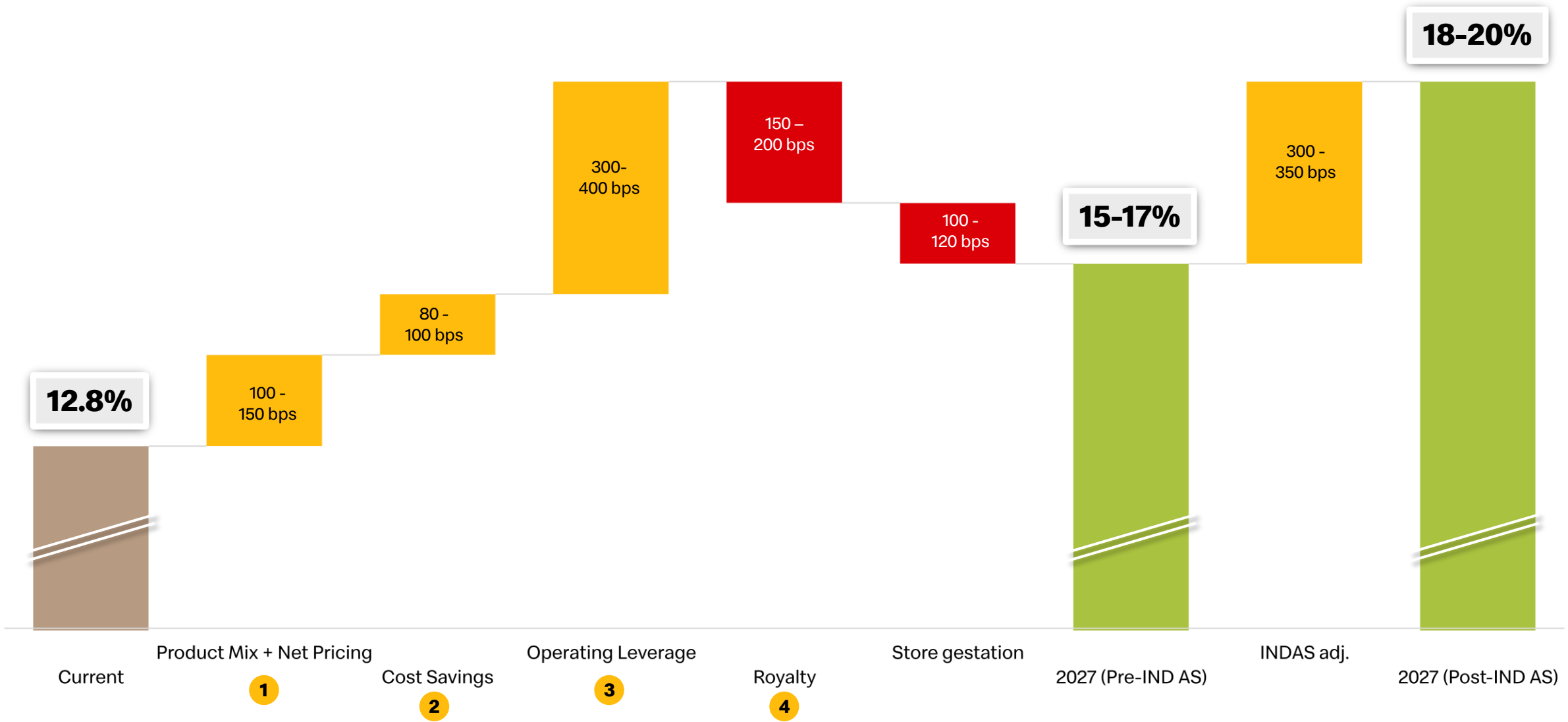
**300 – 350 bps**  
margin improvement target  
through operating leverage

# Royalty rates increase likely to be progressive



- ✓ Royalty Rates stable at 4% from last 8 years
- ✓ ~50-75 bps expected increase per annum from April 2026
- ✓ **Periodic discussions with partner for 5-year visibility horizons**

# Targeting 18-20% Op. EBITDA margin by 2027



# Holistic long-term value creation

**8-10%**

**Profit After Tax**

**Rs 18+ bn**

**Cash Flow from Operations**

**Rs 14+ bn**

**Network Investments**

**15-25%**

**Dividend / Payouts**

Aiming to achieve  
**Leading**  
business performance

**+25%**

**Return on Equity (ROE)**

**+40%**

**Return on Capital Employed (ROCE)**

**+60%**

**Free Cash Flow Conversion Rate**

# **Making it happen**

Execution capabilities and governance

# A team that defines our culture



**Most tenured** leadership across the industry, yet young & dynamic



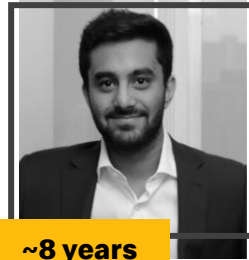
**Professionals** with unparalleled ground level experience



Robust **performance management processes**



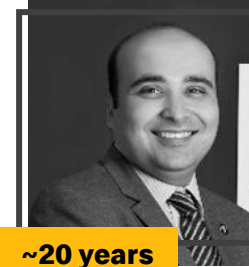
Bolstered capabilities in key **future growth areas**



~8 years

**AKSHAY JATIA**

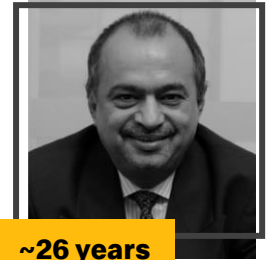
Executive Director



~20 years

**SAURABH KALRA**

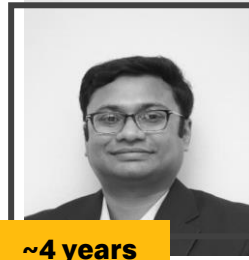
Chief Operating Officer



~26 years

**SANJAY SONI**

Sr. Vice President –  
Development & Real Estate



~4 years

**ARVIND RP**

Chief Marketing Officer



~26 years

**ADITYA KHARWA**

Sr. Director – National  
Operations



~19 years

**SANKET SATOSE**

Sr. Director – Development  
& Real Estate

Consumer  
Technology

Digital  
Business

Learning &  
Development

Supply  
Chain  
Mgmt.

Strategy &  
Insights

Legal &  
Corporate  
Affairs

IT & Cyber  
Security

Financial  
Planning &  
Analysis

Investor  
Relations

# An effective board driving growth and governance



**B. L. Jatia**  
Director



**Amit Jatia**  
Director



**Smita Jatia**  
Director



**Akshay Jatia**  
Executive Director



**Tarun Kataria**  
Independent Director

Board member of India Grid Investment Managers, Jubilant Pharma and Mapletree Logistics (Singapore). Held various senior positions at HSBC group, and Religare Capital Markets. Chartered Accountant and MBA from The Wharton School, University of Pennsylvania

**Business & Management**



**P. R. Barpande**  
Independent Director

30+ years of experience in the areas of accounts and audit. Ex audit partner at Deloitte Haskins & Sells. Involved in reformatting accounts to US GAAP / IFRS for large companies. Member Of Institute Of Chartered Accountants Of India.

**Auditing & Compliance**



**Manish Chokhani**  
Independent Director

Board member of Shoppers Stop, Auxilo Finserve, Laxmi Organic Ind. among others. Ex.CEO of Enam Securities (now Axis Capital). Served as a member of SEBI's AIPA Committee in past . CA and MBA from the London Business School

**Business & Capital Markets**



**Amisha Jain**  
Independent Director

Senior VP and MD of South Asia-Middle East and Africa (SAMEA) at Levi Strauss & Co. Ex-Ceo of Zivame. Alumna of INSEAD and McKinsey. She has 19+ years of experience in technology, consumer, and retail sectors

**Consumer & Technology**

# Accelerating our ESG journey

## ENVIRONMENTAL

**Energy conservation and pollution prevention**

EMS in 300+ restaurants, HVAC, Use of economizer, Use of LED bulbs, Evaporative coolers

**Electricity** – 83,26,020 units saved, 5827 tonnes of Co2 saved

**Diesel** - 1,38,000 units saved, 92 tonnes of Co2 saved

**Gas** - 2600 cylinders saved, 149 Co2 saved

**Travel and transportation**

Bio-diesel program: Using Used Cooking Oil to produce 100% Bio-diesel

**6,40,000 liters** of biodiesel produced

**Water conservation**

EMS in 300+ restaurants/ Waterless urinals; low flow Aerators, RO rejected water re-use, High water recovery RO system

**1,75,20,000 liters** of water saved

**Waste management**

Elimination of single use plastic

**23,000 kilograms** of plastic recycled; eliminated all single use customer facing plastic from our restaurants

**Increase the use of renewable energy**

Stores with solar roof top panel

**Electricity** – 1,70,000 units saved; Close to 7500 tonnes of CO2 saved

**Sustainable procurement**

FSC certified paper used for packaging

Sourced only Forest Stewardship Council (FSC) **certified paper** for packaging

## SOCIAL

**Relationship with local communities**

Store level CSR activities

**75,000 meals** distributed to communities most impacted by the COVID – led lockdown; **2,100 meals** distributed as a part of other store-level CSR activities

**Employee health and safety**

Vaccination drive

**100% vaccination** among all eligible employees

**Inclusion**

EatQual initiatives, Gender diversity, opportunities for differently abled

**Charitable giving and socially concious investments**

Ronald McDonald House Charities: a nonprofit family & children's charity dedicated to supporting families with sick children)

**36,500 lives** touched

**Employee welfare**

Skills of For Life training, Equal opportunity employment, COSMOS Survey

**~10,000** employees trained

**EatQual** Improvement in **brand scores**

## GOVERNANCE

**Corporate Risk Management**

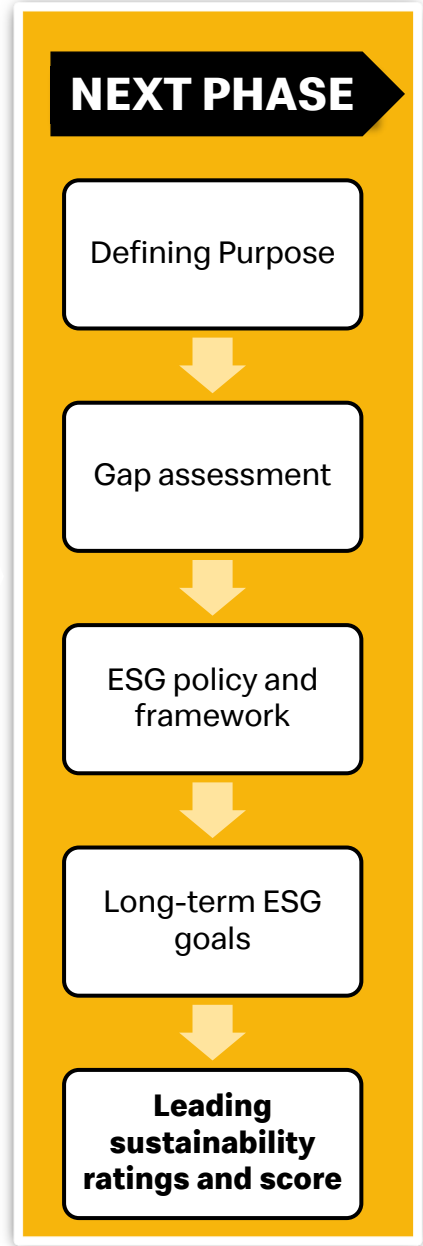
**Tax Strategy**

**Board structure and brand independence**

**Protecting shareholder interest**

**Regulatory Compliance**

**Timely Disclosures**





Putting it all together

**Vision 2027**

# Vision 2027



- Rs 40-45 bn **Sales**
- High Single digit **SSSG**
- 65-70% **Digital-led** Sales
- Rs 18+ bn **Cashflow** from operations



- 580-630 **restaurants**
- 100% **EOTF** penetration
- 100% **McCafe** penetration
- Rs 14+ bn Network **Investments**



- 18-20% **Op.EBITDA** margin
- +40% Return on **Capital**
- +25% Return on **Equity**
- +60% **FCF** Conversion



- Align with global **ESG** best practices
- **Dividend** Distribution Policy
- Fortify Market **Leadership**

The global McDonald's framework will guide our business and drive growth

# Accelerating the Arches

**Strategic goal:** Becoming a modern, relevant & progressive food and food tech company

**Our Purpose**  
Feed and foster communities

**Our Mission**  
Making delicious feel-good moments easy for everyone

**Our Values**

**Serve:**  
We put our customers and people first

**Inclusion:**  
We open our doors to everyone

**Integrity:**  
We do the right thing

**Community:**  
We are good neighbors

**Family:**  
We get better together

**Our Growth Pillars**

**M**aximize our Marketing  
• Brand Trust  
• Affordability  
• Family

**C**ommit to the Core  
• Burger  
• Chicken  
• Coffee

**D**ouble Down on the 3Ds  
• Delivery  
• Digital  
• Drive-thru  
• Data and tech

**Foundation:**  
• Run Great Restaurants  
• Operating efficiencies  
• Profitable store growth  
• Empower Our People





**Thank you**

**IR Contact**

For additional information:

Chintan Jajal | Investor Relations

[investor.relations@mcdonaldsindia.com](mailto:investor.relations@mcdonaldsindia.com)