

Noida, September 03, 2016

Immediate release

Financial Highlights

Q1 FY17

Total Income at Rs. 6,089 million

EBITDA at Rs. 577 million

Net Profit after tax at Rs. 190 million

- Note:
1. Figures have been rounded off for the purpose of reporting.
 2. Financial discussion throughout this release is based on standalone reporting.
 3. The financials of Dunkin' Donuts have been included in the results & related financial discussion.

Jubilant FoodWorks Limited (JFL), India's largest Food Service Company, reported its financial results for the quarter ended 30 June, 2016. During the current quarter, the Company has implemented Ind AS accounting standard, as applicable.

Commenting on the performance for Q1 FY17, Mr. Shyam S. Bhartia, Chairman and Mr. Hari S. Bhartia, Co-Chairman, Jubilant FoodWorks Limited said, "A constrained consumption environment had an effect on the overall performance in the Q1FY17. Since then, exciting new product introductions have played an important role in driving sales. We hope in the Q2 we will see improved performance and positive same store growth.

We have expanded Domino's Pizza and Dunkin' Donuts restaurant network with a focus on getting proper return on investment. We have also continued to make investment in new ERP, Digital Technology initiatives and Commissaries. All these investments will help us in bringing efficiency in Supply Chain, enhanced customer experience and capture growth through expansion of network."

Commenting on the performance for Q1 FY17, Mr. Ajay Kaul, CEO-cum-Whole time Director, Jubilant FoodWorks Limited said, "Our business model continues to deliver across parameters like expansion, innovation and operating efficiencies. We stand committed towards brand development and financial discipline. We have employed innovation as an essential tool to attract consumers with the help of our best in class marketing and sales execution efforts.

Domino's Pizza continues to penetrate new and existing markets better, thereby taking our total restaurant count to 1,062 for Domino's Pizza and 73 for Dunkin' Donuts as on date.

As we move ahead, given the improvement in current performance over Q1 and continued focus on initiatives, we are optimistic of delivering better performance."

Highlights

Jubilant FoodWorks Ltd		
Key Developments		
<ul style="list-style-type: none"> • Investments in innovative Technology to lead business growth <ul style="list-style-type: none"> ○ JFL has implemented SAP- HANA & ARIBA cloud platforms which would serve as an empowering tools for enabling business with agility to grow faster ○ The Company leveraged on the Oracle Transport Management system to bring in efficiencies in its supply chain logistics across the country ○ JFL has started the deployment of a cutting edge speech recognition based order taking platform for select restaurants where customers would be greeted by a Virtual Assistant who can interact like a normal person ○ The Company's key business functions are supported by latest technology to provide information & analytics which help build capability to dynamically scale up to deliver consistent and improved customer experience 		
Domino's Pizza		
Particulars	Q1 FY17	Q1 FY16
Same Store Growth (SSG)*	(3.2)%	4.6%
Network data		
	Q1 FY17	Q1 FY16
Restaurant at the beginning of the period	1026	876
New restaurants	23	35
Closed restaurants	-	-
Restaurants at the end of the period	1049	911
Number of New Cities added	8	12
<ul style="list-style-type: none"> • 1,062 restaurants as of 03 September 2016 across 248 cities 		
New cities with 1st restaurant in Q1 FY17		
<ul style="list-style-type: none"> • Bardoli (Gujarat) • Hapur (Uttar Pradesh) • Begusarai (Bihar) • Kapurthala (Punjab) 	<ul style="list-style-type: none"> • Yavatmal (Maharashtra) • Harda (Madhya Pradesh) • Palakkad (Kerala) • Bahadurgarh (Haryana) 	
Online data		
Particulars	Q1 FY17	Q1 FY16
OLO to Delivery Sales %	44%	33%
Mobile Ordering sales to OLO %	41%	27%
App Download Count (in mn)	4.4	2.9
New Product launches		
<ul style="list-style-type: none"> • Pizza Mania Extremes - offering is an extension of the brands' much loved Pizza Mania range that became a runaway success. Pizza Mania Extremes aims to give value conscious pizza lovers – especially the Pizza Mania loyalists – a culinary experience by providing them a new menu packed with rich tastes, at an economical price point • Burger Pizza- is a result of the Company's focus on innovation and growth and is an attempt to create a new category and bring Pizza-ness in a consumption segment that is addressed by Burgers and Sandwiches 		

* "Same store growth" (SSG) refers to the year-over-year growth in sales for restaurants in operation for 2 whole years (i.e. current & previous year)

Dunkin' Donuts		
Network data		
Particulars	Q1 FY17	Q1 FY16
Restaurants at beginning of period	71	54
New restaurants	7	5
Closed restaurants	1	-
Restaurants at end of period	77	59
City Count	23	21
<ul style="list-style-type: none"> 73 restaurants as of 03 September 2016 across 23 cities 		
New Product launches		
<ul style="list-style-type: none"> Big Joy Burger - is an outcome of delivering the differentiated and delightful Dunkin' burger experience for the value conscious customers at an economical price point DunkyDoos- is the newest range of donuts that embodies fun and exuberance for the younger audience. Range of 6 donuts priced at Rs.199 plus applicable taxes 		

Result Analysis (All figures as per Ind-AS)

Total revenue in Q1 FY17 stood at Rs. 6,089 million.

- Revenue performance tracked increase in the restaurant count for Domino's Pizza YoY. Gains also accrued on account of
 - Addition to the menu under both brands
 - Promotional activities undertaken together with targeted CRM initiatives
 - Higher engagement via the online /mobile platform for Domino's Pizza
- Consumption trend stood moderated as reflected in SSG of (3.2)%
 - Q2 is showing positive signs of normalization of growth pattern

Total Expenditure in Q1 FY17 stood at Rs.5,512 million. Total expenditure increased on account of

- Rise in employee cost which was aligned to the sustained expansion plan of the company and wage increase/annual increments
- Rental increase which stands correlated with increase in restaurant network along with pre-factored increases in rentals
- Benefits on account of softening of raw material prices have partially offset the rise in operating expenses
- Total number of employees as on 30 June 2016 stood at 27,662 as compared to 28,684 as on 30 June 2015

EBITDA in Q1 FY17 was at Rs. 577 million

- EBITDA performance stands constrained due to the challenging operating environment which translated into subdued sales
- Rise in rental expenses and employee costs further burdened EBITDA during the quarter

Profit after Tax in Q1 FY17 stood at Rs 190 million

- PAT reflects the impact of curbed revenue growth and SSG in the quarter on account of weak consumer sentiment

JFL's Outlook

Focus on Expansion

- A prime objective for both the brands
 - For FY17, target of around 130 - 140 new Domino's Pizza and around 15 new Dunkin' Donuts
 - Successfully opened 36 Domino's Pizza and 8 Dunkin' Donuts' restaurants thus far
- Utilize digital platform to enhance reach and accessibility

Sustained and well executed investments in supply chain & manufacturing capabilities

- Efforts to fortify business infrastructure in order to align capabilities with business potential
- Greater Noida mega commissary (currently underway) to create world class facilities to cater to future growth

Brand development

- Being part of a dynamic industry, commands constant efforts to profitably grow the brands and make them more relevant to customer needs & preferences

Innovation and Business excellence

- Innovate on all aspects of business right from the way operations are conducted to menu offerings to finding unique way to connect with consumers
- Innovation continues to be a key differentiator

Vision on long term sustainable growth intact

- The Company remains driven to leverage its infrastructure and network to drive growth which is profitable and sustainable

Key achievements and awards received during the quarter

- Domino's Pizza won the **National Award – Best Deployment of Learning Management System** at Best in Class Learning & Development Awards, organised by World HRD Congress
- Domino's Pizza won the **National Award – Excellence in Customer Service**, organised by World HRD Congress
- JFL was awarded as **Best Risk Management Framework & System – Retail** award by ICICI Lombard and CNBC TV18
- JFL has won the **National Award for Excellence in Corporate Communication** in the category of Best Annual Report for FY2016, organized by World HRD Congress

About Jubilant FoodWorks Ltd:

Jubilant FoodWorks Limited (JFL/Company) is part of Jubilant Bhartia group and India's largest food service company, with a network of 1062 Domino's Pizza restaurants across 248 cities (as of September 03, 2016). The Company & its subsidiary have the exclusive rights to develop and operate Domino's Pizza brand in India, Sri Lanka, Bangladesh and Nepal. At present it operates in India and Sri Lanka. The Company also has exclusive rights for developing and operating Dunkin' Donuts restaurants for India and has launched 73 Dunkin' Donuts restaurants across 23 cities in India (as of September 03, 2016).

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