

JFL/NSE-BSE/2024-25/76

February 19, 2025

**BSE Ltd.**  
P.J. Towers, Dalal Street  
Mumbai – 400001

**National Stock Exchange of India Limited**  
Exchange Plaza, Bandra Kurla Complex  
Bandra(E), Mumbai – 400051

**Scrip Code: 533155**

**Symbol: JUBLFOOD**

**Sub: Transcript of Earnings Conference Call**

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

Dear Sir/ Madam,

In continuation to our letter no. JFL/NSE-BSE/2024-25/74 dated February 12, 2025 and pursuant to Regulation 30 of the Listing Regulations, please find enclosed herewith the Transcript of Earnings Conference Call for Analysts and Investors held on Wednesday, February 12, 2025 for Q3FY25 and 9MFY'25 results and business updates.

The transcript is also being disseminated on the Company's Website at:  
[www.jubilantfoodworks.com](http://www.jubilantfoodworks.com)

This is for your information and records.

Thanking you,  
For **Jubilant FoodWorks Limited**

**Mona Aggarwal**  
**Company Secretary and Compliance Officer**  
Investor E-mail id: [investor@jublfood.com](mailto:investor@jublfood.com)  
Encl: A/a



## Q3 and 9M FY'25 Earnings Conference Call Transcript



**Moderator:** Ladies and gentlemen, good day and welcome to the Jubilant FoodWorks Limited Q3 and 9M FY '25 Conference Call.

As a reminder, all participant lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes.

Should you need assistance during this conference, please signal an operator by pressing "\*" and then "0" on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Lakshya Sharma. Thank you and over to you, sir.

**Lakshya Sharma:** Thank you, Darwin. Good evening, everyone. And welcome to Jubilant FoodWorks Limited's Q3 and 9M FY '25 Earnings Call for Investors and Analysts.

We are joined today by senior members of the Management Team including our Chairman – Mr. Shyam S. Bhartia, our Co-Chairman – Mr. Hari S. Bhartia, our CEO and MD – Mr. Sameer Khetarpal, our CEO of Turkey Business – Mr. Aslan Saranga, our CFO – Ms. Suman Hegde.

We will commence with key thoughts from our Co-Chairman and turn to our CEO and MD to share his perspectives. After the opening remarks from the Management, the forum will be open to question-and-answer session.

A cautionary note, some of the statements made on today's call could be forward-looking in nature and the actual results could vary from the statement. We will also share the replay and transcript of the call on the Company's website under the Investor Relations section.

I would now like to invite Mr. Hari S. Bhartia to share his views with you. Over to you, sir. Thank you.

**Hari S. Bhartia:** Thankyou Lakshya. Good evening, everyone.

The Q3FY25 was actually a really defining quarter for the company with consolidated revenue of Rs. 21.5 billion, aided by a very strong Domino's LFL growth of 12.5%. We have delivered an exceptional result in Quarter 3. This really demonstrates the strength of focused execution of our strategy and the unwavering commitment of our team members.

Our strategic framework built on two pillars is yielding results ahead of the market:

#### **#1. Strengthening Domino's**

Multiple initiatives have been taken to strengthen Domino's business. We transitioned from four to seven region structure in quarter two last year, this made our operations more agile, and

enhanced team performance and effectiveness. We revitalized our brand with “It happens only with pizza” campaign to win on occasions and expand the pizza category.

We redefined the delivery experience with the launch of 20-minute delivery and delivery fee waiver, fundamentally enhancing the value proposition of Domino's. Accelerated pace of product innovation to continuously delight our customers. These initiatives helped us achieve new peaks and deliver a great growth momentum to the business. In Turkey, Domino's continues to gain share and expand network.

## **#2. The second pillar is accelerating the path to profitability for emerging portfolio brands**

COFFY is on its way to become top five cafe brands in Turkey. And during the quarter, it achieved a significant milestone by becoming the first emerging brand from our portfolio to surpass 150 store mark.

In Popeyes, we expanded the network. We are equally focused on reaching the desired unit economics and payback periods. We are progressing well on our path. Even in the software demand environment, we have continued to make investments for store growth and technology and absorbed cost to deliver value to customers. We see this benefit in higher like-for-like growth in Domino's business. With consumption picking up, we are confident of our growth journey.

I will now invite Sameer to provide a more detailed perspective on our operational performance and strategic initiatives.

**Sameer Khetarpal:** Thank you, Mr. Bhartia. Thank you, Mr. Bhartia. Good evening, everyone.

Q3 was a landmark quarter for our Company, marked by record performance for our Domino's business. This exceptional performance is a testament to the focused on-ground execution of our strategy and the unwavering dedication of our incredible team. From our food parks and stores to our technology and delivery teams, every member of the JFL family played a vital role in delighting our customers during their countless celebrations encompassing but not limited to Diwali, Christmas and New Year. Their commitment to excellence fuels our success and positions us for continued growth.

### Performance Summary

This is a quarter of new highs. Not only in Revenue but also in same store sales growth, store expansion, app traffic, app conversion, customer loyalty, new customer acquisition and highest absolute EBITDA.

Group System Sales, our measure of overall consumer sales across our owned and franchised network, reached Rs. 24.1 billion, a healthy 6% increase quarter-over-quarter.

Consolidated revenue came in at Rs. 21.5 billion, up 56.1% year-over-year. The organic growth came in at 19.4% while the rest was on account of DP Eurasia sales not being in the base.

Standalone revenue was Rs. 16.1 billion, up 18.9% year-over-year. Our total store network now comprises 3,260 stores, with a net addition of 130 stores during the quarter with 67 net store addition in India and 63 in international markets.

### India Segment

Domino's India delivered an exceptional performance this quarter, achieving its highest-ever sales.

Led by our own-app and food-tech capabilities, Revenue surged by 18.3% year-over-year, fuelled by an impressive 33.8% increase in order growth. New Customer Acquisition grew by 55.4% and we have also started to see the benefit of compounding through repeats.

LFL sales grew by a strong 12.5% year-over-year, driven by exceptional Delivery LFL growth of 24.7%. Mature Store ADS reached a high of Rs. 85,959.

I am also delighted with the enhanced pace of targeted product innovation and proud of how operationally complex products like Cheese Volcano are also being rated very highly on delivery.

During the quarter, we introduced three new flavours to our popular Cheese Burst range, further enhancing our pizza offerings.

Learnings from US and other Domino's market suggests a strong salience of Chicken items along with Pizza. We are materially under-indexed on this salience and hence we see a big opportunity unlock. Like Pizza, wings and other chicken feast items are shareable and add to higher ticket and customer repeats. We were patiently perfecting customer value proposition in South India and have now launched the Chicken Feast range nationally starting at Rs. 99 along with a ATL campaign.

We believe this new range will drive incremental occasions and help us serve new customers.

Our digital engagement teams continues to grow, quarter on quarter with nearly 14 million monthly active users (MAU) on the Domino's India app. App installs also saw impressive growth of 28.6% year-over-year, reaching around 12 million. To help you better appreciate the scale of our rider management platform, in December, we had 46,700 monthly active riders, which

was up by ~50% from last December, helping us meet high consumer demand. This also underscores the power of our digital platform to manage variable peak loads and allowing us to deliver in 20 minutes.

We are progressing well against our network guidance. We opened 60 net new Domino's stores in India this quarter and entered 19 new cities, ending with a total network of 2,139 stores now serving guests across 466 cities.

The competitive intensity continues to be strong along with inflationary pressures. The Gross Margin came in at 75.1%, lower by 160 bps year-on-year on account of higher food costs for some of our new product launches, inflation, sharper discounting during big-days, and the waiver of delivery charges, not in the base.

Standalone EBITDA reached Rs. 3.1 billion, up 10.6% year-over-year, with an EBITDA margin of 19.4%, lower by 145 bps year-on-year and flat quarter-on-quarter. Importantly, our pre-Ind-AS-116 EBITDA margin at 12.4% is improving continually since the last four quarters and was higher by 70 bps quarter-over-quarter.

While we don't separately disclose brand-wise EBITDA, we would like to mention that Domino's India Pre-Ind-AS-116 EBITDA registered mid-teen growth yoy despite free delivery and growth investments.

### International Segment

In our DPEU markets (Turkey, Azerbaijan, and Georgia), system sales reached Rs. 7.5 billion, with Domino's Turkey contributing Rs. 6.7 billion followed by COFFY system sales at Rs. 801 million.

I am excited to share with you that DPEU Revenue crossed the milestone of Rs. 5 billion for the first time registering a strong 9.5% qoq growth.

We believe the economy in Turkey is headed in the right direction as the Government has brought down inflation from 64.9% a year back to 42.1%. However, this has also led to lower wage revisions. In high inflationary environment, wage revision triggers an immediate consumption boost.

Despite these headwinds, the Turkey team delivered competitive growth.

Domino's Turkey LFL growth came in at -3.2% on the base of 18.9% LFL in Q3FY'24. COFFY LFL growth came in at -2.6% on the base of 27.7% LFL in Q3FY'24.

For the nine-month period, DPEU revenue reached Rs. 14.3 billion, with an EBITDA margin of 23.0% and a PAT margin of 7.2%.

We've achieved a significant turnaround in Sri Lanka, with record revenue of Rs. 213 million in Q3, up 65.4% year-over-year. This strong performance is entirely driven by same-store sales growth, as we strategically paused network expansion to focus on optimizing our existing stores. Key initiatives such as strategic store relocations, exciting new product launches, and focused local marketing campaigns have fuelled this impressive growth. In Bangladesh, the revenue was Rs. 173 million in Q3, up 38.6% YoY, scaling a new record.

For the nine month of FY25, Consolidated Revenue came in at Rs. 60.4 billion, up by 48.0% with EBITDA of Rs. 11.8 billion, up 42.1% year-over-year translating to an EBITDA margin of 19.6%.

In closing, we are pleased with our Q3 performance which has helped us elevate the YTD trajectory of the business and remain focused on technology, delivery, innovation in food and winning store by store and pizza by pizza.

We believe single minded focus on having technology and fast delivery capabilities are contributing to ahead of the market performance. These are strategic moats for us and we will continue to invest ahead of the curve. We see the momentum build from Q2 to Q3 and Q4 as new acquired consumers begin to compound and order more frequently from us.

With that, I will request moderator to commence the Q&A session.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from Tejas Shah from Avendus Spark. Please go ahead.

**Tejas Shah:** Hi, Sameer. Hi team. Thanks for the opportunity. And congrats on a good set of numbers. Sameer, the first question is, our delivery is gaining traction and then doing phenomenally well. But despite multiple interventions that you would have done in last few quarters on dine-in, that is not responding as expected. So, any insights on that? Any challenges or competitive landscape which is different from delivery here?

**Sameer Khetrapal:** No, I think, Tejas, firstly, I will not say it is not responding, it is actually responding. Our in-store lunch average weekly orders are highest in the last two and a half years. So, as you would recall, we have launched a Rs. 99 four course meal available only inside the store during lunch hours. And there are many stores where I get customers line up to get it. And after 3:00 PM there is little bit of a push back from customers why it is not available post 3:00 PM. So, dine-in, if you look at our on-premise

sales there are two components; customers who come in to eat, get their pizza, sit down and then leave; and there are customers who come in and do a take-away.

The take-away channel or the customers coming in for take-away, that helps actually moved to complete delivery, and understandably so, since delivery is free. As the bases get corrected, we are very confident the dine-in will also improve. In fact, the store experience, the new stores that have come in with higher quality materials, focus on store experience, greetings, all that is paying off. We see it in our numbers. I think it's a matter of a quarter or two you will also start seeing it.

**Tejas Shah:**

Sure, very clear. And second and last. The LFL and margins relation here. So, LFL recovery, just wanted to understand, a very technical angle also here from here on as most of our split stores which were not part of LFL club for the last two, three years must be returning, and those are usually good locations which were split. And hence we are seeing very sharp recovery in LFL, but commensurate margin expansion is not happening, or there are any other reasons? Because we expected with this LFL much higher margins in this quarter.

**Sameer Khetrapal:**

See, the overall demand scenario is muted, right? So, I think with that, we have taken four conscious calls to expand ahead of the market to get a market share and acquire new customers. For these four interventions are following, firstly, give more food through cheese, cheese burst and volcano pizza to customers. So, therefore, we are engaging on with Gen-Zs and we are acquiring new customers. Second intervention was to increase our marketing investments in fixed advertising above the line investments. Third is, we do not want to lose share on aggregator platforms and, therefore, we are matching the comparative discount that is happening on that platform. And fourth is free delivery, right, and partly we have recovered through packaging charges and internal tightening.

So, all these four are very conscious choices, right. And it is investment for growth and investment for new customers that we are acquiring. At anytime, I think we are very easy to kind of dial a bit down and let that flow. But I want to assure you, Domino's P&L is actually getting the leverage. Maybe slightly lower than what we would like, but these are all investments for growth and you will see compounding happening and this flowing to the bottom lines. We are very clear about how and when this flows to bottom-line.

**Tejas Shah:**

Yes. And if I may squeeze in one last, Popeyes four store addition in the festive quarter looks underwhelming. So, any plan of scaling up there?

**Sameer Khetrapal:**

Yes. So, I think we have drawn up a list of the top 100 locations and it is a matter of finding those



locations. So, let me assure you, the average daily sales for Popeyes is improving, margins are improving, CAPEX is actually materially low from where we started. I think getting the location is a one-way road, right. If you get a wrong location then you have to like live with it for a long time, and therefore we can open 100 stores as long as we get those 100 locations. And some of the locations, like that we opened like Pacific Tagore Garden, right, in Delhi, right, these are testimony of outstanding locations and these stores are exceeding our expectations.

**Tejas Shah:** Perfect. Very comforting. Thanks and all the best for coming quarters.

**Sameer Khetrpal:** Thank. Thank you, Tejas.

**Moderator:** Thank you. Next question is from Jignanshu Gor from Bernstein. Please go ahead.

**Jignanshu Gor:** Hi, Sameer. Congratulations on a strong quarter. I think I had one question on the gross margins. So, what has contributed to that? And do you expect improvement in gross margin as we go forward, either in the form of price increases or in terms of premiumization of installed customers? So, how would you think about that?

**Sameer Khetrpal:** Yes. I think internally we are targeting the 100-basis point improvement of gross margin, right, in the next two to three quarters, right, that's what we are planning to do. There are named initiatives on correction of wastages, on correction of others like packaging material, etc. So, there are multiple initiatives on that one. We are also seeing where we can tighten the discounts, right. So, definitely it should improve, in my opinion. The reason is very simple on gross margin actually, it is, we did not want to lose share, but we have gained share, as you can see from the numbers. And it's a very conscious choice. And then part of it is also delivery because there is a base you are probably comparing quarter-on-quarter, but this period generally has more discounting, right, because everybody is on air, they are giving deals. So, part of it is festive period also, which should go away starting obviously January.

**Jignanshu Gor:** Okay, fair. I think the second question was in a way similar to the previous one on Popeyes, right, that we had a medium-term target for 250. So, is it fair to say we are figuring out our product market fit there? Or do you think like what drivers are you looking for to determine that this is now a growth story versus still trying to find where is our positioning within the QSR space?

**Sameer Khetrpal:** No, I think to me there is definitely no challenge on customer value proposition, product market fit. I think there is a huge headroom driven by one large competitor in this space. I think it's purely

about execution. So, India is a 70% chicken eating market, we started in South and therefore that's the right place to start, that's where the densest of the market and highest ADS per store is there. We are presenting Kerala, Tamil Nadu, Karnataka, Telangana, these are the right places to be in. We have come to NCR; we are looking to launch in Mumbai. So, it is about finding the right location. We fixed a lot of unit economics in the last three or four months. We expanded the team. I have already put in a team that will carry it from here to Rs. 1,000 crores. So, absolutely no bearishness on the outlook for Popeyes, we just have to find the right location, that's all. And if we find 20 right locations, we will build 20 stores. And we are in several discussions with all the right properties that we want.

**Jignanshu Gor:** Okay, fair. Are you looking at Popeyes also as a largely delivery-led model or do you think dine-in is where that will be focused on?

**Sameer Khetrpal:** See, the learning from rest of the world and Domino's is that on high-street when I look at some of the great competitor brands who are more dine-in focused, their dine-in or on-premise business is declining. And delivery tailwinds are universal and worldwide. So, what we have done, we have refitted our store size to about 1,200 square feet on high-street. As you know, we have our own app, our own app salience is growing, and like Domino's we deliver at Popeyes. So, delivery will grow, right, that's a universal truth. So, we have to be present in the right locations in malls where there are footfalls, and we have to be in the right locations with the right CAPEX model, delivery-led stores in the high street. And both we know how to do it. And second one is a Domino's playbook, and we are shamelessly copying over there.

**Jignanshu Gor:** Okay, fair. Let me settle back for more. Thank you so much, Sameer. All the best.

**Sameer Khetrpal:** Thank you very much.

**Moderator:** Thank you. The next question is from Arnab Mitra from Goldman Sachs. Please go ahead.

**Arnab Mitra:** Yes. Hi, Sameer and team. And, again, congratulations on a great set of numbers. Now that we have seen good evidence of your strategies working out in terms of consumer traction, would it be reasonable to expect these levels of LFLs to sustain going ahead? Or are there some base effects and other things which we should be cognizant of in terms of how we expect this to move ahead? And also a linked question to this is, as you rightly said, you have invested a lot to get this growth. Would you want to like dial back that investment a little bit, focus on margins and therefore that could be a reason why the LFL could be a tad lower than what you have delivered this quarter going ahead?

**Sameer Khetrpal:**

No, I think all sets of great questions, Arnab. That's a constant balancing act we have to do as operators of the business, right. And when we realize the like-for-like growth for the entire industry is tanking, we had to look at for some self-help measures and we went all guns blazing, right. And now we are seeing that growth. We are now balancing in terms of margins should also flow in, we should get the leverage. And trust me, the teams are focused on it.

In terms of momentum, right, we put a lot of fuel into the engine. So, it is growing. We do see growth momentum continue from Q2 to Q3 and Q4, right. So, from that perspective, I feel very good about the growth story. Margin story we will correct, like I said, I do not really worry on it. What will happen in Q1, Q2, Q3, right, some could be a base effect, but I do not think because delivery growth year-on-year is not a base effect. The way some of the stores, even after splitting we see they are coming back, getting into nearly 50-odd new cities in last three quarters is not a base effect. And in fact, I feel good about this. And the absolute profit is increasing, right, so it is not that absolute profit is coming down. So, our standalone EBITDA grew by almost 11%, right, despite investments in new brands. So, underlying business remains healthy. Margins, we can always come in. But I do not want to put off the pedal on growth. As the momentum picks up, I know this will flow through into the bottom line.

**Arnab Mitra:**

Thanks for that detailed reply. My second question was more of a bookkeeping question. So, we are seeing a gap in the sequential trend in the pre-IndAS and the post-IndAS EBITDA margin. Could you just help me understand what has driven the trajectory change? And is it going to continue going ahead given how the accounting works? Or this should like start converging the trajectory, the direction would also start converging?

**Suman Hedge:**

Hi, Arnab. Suman here, let me take that question. So, it is actually a very bookkeeping accounting point of view, right. We do understand in pre-IndAS 116 the rental costs are above the line. And rent costs are not increasing in line with the kind of growth we are seeing. So, if you look at the differential, predominantly all is coming from the leverage impact that we are not seeing in the post-IndAS numbers on account of leverage coming through in the P&L, it's 100% that itself, right. So, if you ask me, my view, if these kinds of growth continue, which is growth ahead of rental growth in the market, which at this point in time is lower than where our trajectory on growth is, we might see some of these headwinds going forward as well. Difficult to predict, of course, because it is an equation between two growth numbers. But this is a normative headwind. And hence, at the business we focus more on the operational EBITDA, which is the pre-IndAS number, because that's the right metric to chase.

- Arnab Mitra:** Sure, that's very clear. Thanks, that's it from my side. All the best.
- Moderator:** Thank you. Next question is from Percy Panthaki from IIFL Securities. Please go ahead.
- Percy Panthaki:** Hi, sir. I just wanted to understand in the India business, what is the Y-o-Y decline in the average bill value? And how much of this is due to the delivery charge waiver and how much of it is due to down trading or any other impact?
- Sameer Khetrpal:** Yes. So, I think we do not disclose the average ticket size. It is fair to assume the entire decline is though delivery charges, partially offset by packaging charges. So, the Domino's India revenue grew by 18% and the order grew by 34%, right, that should give you some indication. It is largely delivery, right, but it is also leading to 55% plus new customer growth, right. I think you have to look at these three in tandem, and this one customer acquired eats pizza three times in a year. So, that compounding we are seeing in our numbers because now this is the fourth quarter of free delivery. So, the customer that we acquired in Q1 of this quarter, now are we seeing those coming three times in a year? The answer to that is yes. So, therefore, I am very confident about this investment. And that to me will give us real leverage.
- Percy Panthaki:** Okay. So, the Average Order Value (AOV) decline is only because of the delivery charge waivers, there is no down trading. And there could be a third reason, there could be additional discounting in addition to delivery charge, so is that also one of the reasons, because 19% versus 34%, that differential is quite huge?
- Sameer Khetrpal:** Yes. So, I think it is there, but not too much. So, it is largely delivery-led and that is the only reason. So, what is down trading, right? Typically, we used to define down trading. If a customer eating a medium pizza goes to a regular pizza and a regular pizza goes to a Pizza Mania, right? That's how we define down trading. On the reverse, we are actually seeing an increased salience of core pizza ranges, right. Customers are moving away from Pizza Mania, right. And free delivery allows them to order more, and which we want customers to order more, if one pizza is over they want to get another pizza. It breaks the shackle of ordering more. So, I think, it is largely on account of free delivery.
- Percy Panthaki:** Got it. And if I look at it sequentially, that is 2Q versus 3Q, in 2Q itself this year was the delivery charge completely waived off? Or it was only partial and only in 3Q we had the full impact of delivery charge waive off?
- Sameer Khetrpal:** No, it was waved off during IPL last year, which was end of March 2024. So, we are almost nearing

the anniversary of it. So, Q2 to Q3, the delivery charges have been the same.

**Percy Panthaki:** So, the sequential decline in gross margin of 100 basis points is mainly because of additional discounting and inflation, and has got nothing to do with any other thing?

**Sameer Khetrpal:** That's it. It is basically that. We invested in cheese, right, that's what we are saying, because we gave more cheese per product and that is the lever that we always have, right. So, we can always reduce the discount on those products.

**Percy Panthaki:** Understood. Secondly, I wanted to just touch upon international in the sense that if I do a consolidated minus standalone net profit, it is about Rs. 9 crores for the quarter and about Rs. 29 crores, Rs. 30 crores for nine months put together. So, Rs. 30 crores is about the net addition from the international business post the funding cost of the acquisition etc., etc. So, how do we look at this number going ahead into FY '26? Should we like grow it largely in line with the international top line, or is it going to have some other drivers in addition to that?

**Sameer Khetrpal:** No, there are no drivers. In fact, the nine-month numbers will give you an indicator of how strong the business is. We do not see any surprises over there. In fact, teams are working in this environment to have a better operating cycle and release cash from the system. We have said that by second-half of calendar year, ideally, we should also give them give some dividend to. So, I think there is absolutely nothing over there, but I will let Suman give you more specifics.

**Suman Hedge:** Hi, Percy. Okay, so just on international business, you are right, I think in Quarter 3 we have seen a bit of an aberration there. Now, we need to understand, I think you do, Turkey goes through hyperinflation accounting, right. There are a lot of inflation adjustment accounting entries which happen, so quarter-on-quarter we will see some increase, right. And hence Sameer alluded to the nine months number which is more representative on how the underlying performance of their business is. So, full year, like you asked, it will be more in line with the revenue growth which will come through how you should estimate the profit growth to happen, margins of course there could be slight improvement or flattish numbers. We are not estimating any declining margins coming through. But because of the nature of the business and the volatility in the accounting standards within Turkey, quarter-on-quarter we might see some aberrations.

**Percy Panthaki:** Even nine months basis there is about Rs. 30 crores difference between standalone and consol net profit. So, this is a tad lower than what we would have expected a year ago at the time of the acquisition, right?

- Suman Hedge:** No, it is not actually lower than what we had expected at the time of the acquisition. Still, if you look at Turkey from a PAT margin perspective, it is highly accretive to where India standalone margins are, and that continues to be the case. Of course, we saw a bit of an aberration on Bangladesh business because where the improvement was being seen in the overall profitability, which took a hit because of the disruption on the ground. But if I look at Sri Lanka, that has improved its margin status, and even Turkey is holding on or just getting slightly better at a PAT level, right. So, full year, we should not see any deviation on that, and as well in fact it's doing better than what we were expecting in terms of expectations. The economy is strengthening, the business underlying metrics are improving, be it in terms of their inventory levels, which is ensuring that they do not have a higher cost coming out when the inflation accounting company next month in P&L, their interest costs are coming down, their debt overall is reducing. So, healthy shape of the business as the economy also recovers there. But yes, there will be variations quarter-on-quarter, which we can explain to you offline on how it works, but no real reason not concern there.
- Sameer Khetrpal:** Yes, I think that in summary, the Turkey business case is ahead of plan, right. So, I think the performance is ahead of the plan what we had envisaged.
- Percy Panthaki:** Got it, Sir. Thank you very much. That's it from me and all the best.
- Sameer Khetrpal:** Thank you.
- Moderator:** Thank you. The next question is from Aditya Soman from CLSA. Please go ahead.
- Aditya Soman:** Hi, good evening. Sir, just one question from me. In your presentation, in the sort of mature store numbers, that's actually dropped for the last two quarters. This is a function of just higher stores splits?
- Lakshya Sharma:** Yes, Aditya, it always happens. In quarter one we have the highest number of store count. It progressively comes down by quarter four. In quarter one again of FY '26 you will see a higher store count.
- Moderator:** Thank you. Next question is from Devanshu Bansal from Emkay Global. Please go ahead.
- Devanshu Bansal:** Hi, thanks for the opportunity. And congrats on a very good investment pick up. Sir, your aggression in market share gain is obviously not a good news for smaller competition that sort of popped up over last few years. I just want to check your views on the continuation of this ADS strategy of yours, and are we also sort of seeing initial signs of consolidation in the marketplace?

**Sameer Khetrpal:** No, I think, I would say, what we control is our investments, our actions, and every company wants to grow market share, right. So, I think with that I do not want to step away from driving growth, because growth is the best help that you can give to the business and also in terms of margins and cash flows, ultimately. So, in terms of competition, see this is how I see it when I just remove myself from my current position. The growth is definitely muted, right, for the industry and listed players and the large players, to me, are actually doing better than some of the unlisted and smaller medium chains. There is a big question mark on dark stores. So, I do expect with this kind of environment business moving largely towards delivery, and competition of speed, whatever, 10-minute, 20-minute delivery increasing. Some of these business models are under threat. But that's my, more take, as somebody who works in this industry. And that consolidation opportunity to me is sooner than later.

**Devanshu Bansal:** Understood. Very clear. Sir, the last question I sort of wanted to build on Percy's question. The difference between order growth and revenue growth in Domino's has increased over the three quarters, right. So, it was 7.5% in Q1, which increased to about 12% in Q2, and now it is 15% in Q3. So, what is leading to a continued drop in realizations for us, because delivery waiver impact was there in all the three quarters.

**Sameer Khetrpal:** Yes, I think it is more delivery growing faster, right, that's the only thing which is happening over there. The channel mix is moving towards delivery. One thing that you must note when we did free delivery, we moved to a minimum order value of about Rs. 200. Rs. 199. Earlier there were higher delivery charges before Rs. 350. So, we change that purposefully. Therefore, you see the growth in new customers on account of that. That's the only thing. Otherwise, there is no down trading happening, it's not that we are selling more Pizza Manias we are selling one single item. The items per order is not really declining. It is largely the customers have a lesser threshold in terms of ordering, so the barrier has been broken, and delivery is flowing.

**Devanshu Bansal:** So, just a follow-up here, because the barrier or maybe the threshold is lower. So, from a margin perspective, does that sort of temper our model or will we still be able to sustain our margins, because delivery cost for the order will remain same?

**Sameer Khetrpal:** See, to me, I see this as an investment for growth, right. Now, once you are investing for growth, the question to ask is, how will you recover? We recover on two fronts, one is when the compounding happens, SSG continues, right. And second is the further tightening of cost, right. So, like I said, we have a name program on improving margin by 100 basis points. We are looking at rentals very closely. We are looking at manpower. And we are getting the leverage in manpower. Where we are not

getting the leverage and there is a higher-than-expected headwind, it is the delivery cost. Because delivery at the channel is growing, which puts more pressure on riders, and therefore to keep the same service level of nearly 20 minutes, we are actually paying more to the riders during the festive season. So, that is the only headwind, which is there, which also will be corrected, in my opinion, as we find newer ways of working.

**Devanshu Bansal:** Understand. Sir, just last one small question. So, we have launched chicken products after sort of experimenting in the South. So, I just wanted to check if you could qualitatively share what was the kind of ADS pickup for these products we sort of saw in the South region, which gave us sort of confidence to sort of launch in pan-India?

**Sameer Khetrpal:** Yes, I will tell you what was the thesis, and give us like time till this quarter because we went on air only 10 days ago with the first time like Domino's coming out and ADL campaign focused on chicken feast. So, this is how we see our data. Among the world and also in India, North India has the highest weekly sales of stores. Yet our share in the pizza category on aggregate is lower. Versus South where the throughput per store is lower than the North, but the share is higher. So, that explains that the customers are looking for other products along with pizzas, or they are not eating pizzas as much as they probably eat in the North. And that is the insight once we do, they are looking for more non-vegetarian options. They are looking for more bone in chicken therefore we launched wings. They are looking for rice long with chicken therefore we launch Cheesiken Meals. They are looking for crunchy non-veg bites, therefore we launched Poppers and Boneless Wings. So, I think we heard the consumer, we experimented. Actually, South, after the launch, has become the fastest growing or one of the fastest growing regions among the seven regions that we have.

**Devanshu Bansal:** Understood, sir. Very clear. Thanks for taking the question.

**Moderator:** Thank you. Next question is from Latika Chopra from JP Morgan. Please go ahead.

**Latika Chopra:** Thanks, Sameer. So, my first question was around new city additions, you have added almost 60 cities over the last four quarters. And you have added this year in nine months almost 145 new Domino's stores. I am just trying to understand how many more cities potential you see to expand into? And how does that feed into your store addition ambition on an annualized basis over the next three, four years, considering you are moving more towards street focused kind of unit?

**Sameer Khetrpal:** Yes. Firstly, we are seeing opportunity on both, right. And I quote this example a lot, when I joined couple of years ago we had about 30-odd stores in Gurgaon. We are now reaching nearly 50 and we



believe we can add another 20 more. So, densification, as cities expand, as new shopping areas, new congregation points like movie halls and other things come up, there is always more opportunity, including metro stations and highways, etc. So, firstly, we are seeing tremendous opportunity in the city where we are fully covering, like Gurgaon. Secondly, there are cities like Ahmadabad where we do not cover the whole city, there are enough white spaces, and these are not only restricted to Ahmadabad, it is Lucknow and Kanpur also.

And then the third piece is new cities, whether it is Girdi or Sasharam or Badaun or a Latur, right, so I think definitely we see more and more opportunity of those. We are present in nearly 500. We believe there are 500 other cities that we can get to. And we are still present in the biggest district centers, right. And some of these districts are like more than 7 lakh, 8 lakh, 10 lakh population. We have not gone to the major talukas over there. So, for context, KFC in China is present in 1,000 cities, so there is definitely room to get to more.

**Latika Chopra:** And Sameer, any sense, I do not know how you cut it, whether the salience of Top 20 city is in your revenue mix, how has that behaved over the last five years for you, has that materially changed, if you can share some color on that? And also, in terms of profitability metrics across cities, our new cities are not margin dilutive for you necessarily.

**Sameer Khetrpal:** They are slightly accretive in percentage terms, lower in absolute profit, because their costs are also lower, dine-in takeaway is higher in these cities, delivery salience is lower, but throughput is lower. So, I think Latika the best question to ask is the payback period lowering these cities, right? The answer is no. So, we continue to maintain two, two and a half years of payback period. As long as that is coming, I think that's the mother metric that we chase.

**Latika Chopra:** And salience of larger cities, anything that you have to share?

**Sameer Khetrpal:** No, I think we are expanding. Again, like how we run our new business, like I said for Popeyes, same thing the team from Domino's have done. They have a list of 1,000 stores that they want to open whatever in the next three, four, five years' timeframe, right. So, as long as they get those locations, they will continue to open. So, these 1,000 locations some of them are in places dense like Gurgaon and Goregaon, and some of these are in Badaun and Latur and Girdis of the world. So, wherever we find the right location, we will open the store.

**Latika Chopra:** Sure. And the second thing that I wanted to check was an aggregate salience in delivery mix now, because you talked about more promotions on this channel, on these platforms as we wanted to grab

more share. But at the same time, your own app metrics are also fairly healthy. So, could you give us some color on how this mix is trending? And what kind of differentiation is there in terms of profit between own versus aggregator platform? Thank you.

**Sameer Khetrpal:**

Yes, I will not answer that question because I am here to serve customers so we refrain from giving mixes. Having said that, our apps are going very healthy. In fact, when I came in, I had put the entire engineering team just to focus on Domino's app. And as a result, we have the most immersive experience for pizza customers who are looking for pizza. So, you will see videos of pizzas, you will see easy user experience or user experience to upgrade to add more products, add side items, it is built for pizza. And over the years we have made it very topical, we celebrate from Valentine's Day to landing of Chandrayaan on Moon, right. So, we have become very topical in delivering to customers. And the built in CRM helps customer come back. So, that piece is working out better than our expectations.

And like I said, aggregators, we see them as ecosystem partners, we see them great channel partners. And it's a very competitive landscape over there. And we work hard to maintain our share of improve our sales on the aggregator. So, it does not matter as long as we are getting customers, right. That's how I see. And delivery is a worldwide tailwind and with our own rider fleet of 46,000 riders, network that is ever expanding, ability to give hot pizza in 20 minutes, actually that's not the most important thing that I worry about.

**Latika Chopra:**

Understood. Thank you so much. And all the best, Sameer.

**Sameer Khetrpal:**

Thank you, Latika.

**Moderator:**

Thank you. Next question is from Jay Doshi from Kotak. Please go ahead.

**Jay Doshi:**

Hi, thanks for the opportunity. And congratulations on your great acceleration in results. I have got two questions. The first is, in this quarter we saw about 18% top line growth and 15% pre-IndAS EBITDA. Now how should we think about gap between revenue growth and EBITDA growth on a pre-IndAS basis going forward over the next two, three quarters if you continue to stay at a similar 15% plus system sales growth levels?

**Sameer Khetrpal:**

Internally, we look at like this in the following manner. We tease out Domino's portfolio and see is that growing, and likely mentioned in our comments, is it in mid-teens and improving? So, that's how we see that particular business. On the other business, we see the overall drag to the P&L and

the unit economics improving. So, these are the trade-off factors. Allow us maybe one more quarter, because let this stabilize because we will launch the delivery in March, maybe by next quarter we will have a much more scientific answer on that, Jay, otherwise I will be more hazarding a guess, and we are also doing a better calculation to answer your question.

**Jay Doshi:** Sure. Second question is, if I do some back of the envelope calculations, your dine-in order growth is about 30%, but dine-in revenues have declined by about 2%, which means that there is 25% decline in average order value for dine-in but there is no delivery fee waiver impact or anything of that sort. And if I actually were to look at absolute number, it means your dine-in average order value may have dropped.

**Sameer Khetrpal:** No, no, it's not like that. Thaali is only like 11:00 AM to 3:00 PM. And it's a business with a very low base. So, that number, while it is growing healthy, I think inside the store you have to look at dine-in and take-away. Customers who come in, take the pizza, eat there and leave, and customers who just come in to take the pizza to their home. So, that is a take-away. So, dine-in business is growing very heavily, and you will see improvements coming in in the coming quarters on both dine-in plus take-away as a business. And this is only the take-away business that is kind of declining. So, there is a sub channel mix that is there between what we call as a dine-in take-away business. So, there is no massive, in fact, like you are saying, the decline in average ticket size inside the store is very marginal.

**Jay Doshi:** Okay. Maybe then I will take it offline. Thank you so much and good luck for the next quarter. Thank you.

**Moderator:** Thank you very much. We will take that as the last question. On behalf of Jubilant FoodWorks Limited, that conclude this conference. Thank you for joining us. And you may now disconnect your lines.

**Lakshya Sharma:** Thankyou.

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Note: This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.