

Noida, October 26, 2016

Immediate release

## Financial Highlights

### Q2 FY17

Total Income at Rs. 6,655 million  
EBITDA at Rs. 643 million  
Net Profit after tax at Rs. 216 million

### H1 FY17

Total Income at Rs. 12,745 million  
EBITDA at Rs. 1,220 million  
Net Profit after tax at Rs. 406 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 and half year ended 30 September, 2016.

**Commenting on the performance for Q2 FY17, Mr. Shyam S. Bhartia, Chairman and Mr. Hari S. Bhartia, Co-Chairman, Jubilant FoodWorks Limited said,** "We are pleased to share JFL's improved performance for the quarter, driven by new product innovations such as the launch of Burger Pizza, positive response on pizza mania extreme and continued investments in restaurants. Technology and innovation continue to be our focus areas to achieve operational efficiencies, customer retention and addition. The SAP platform is now well connected across functions and will help fuel growth and generate deeper & precise insights on operational and financial parameters, thereby enabling faster and objective decision making. Additionally, we sharpened our targeted marketing initiatives using predictive analytics tools which have assisted in topline growth. For the Dunkin' brand, we continue to work on optimizing store level profitability, while working on introducing new products and overall cost efficiencies.

*Going ahead, we believe we have a great business that we are very excited about and a very solid infrastructure for continued growth."*

**Commenting on the performance for Q2 FY17, Mr. Ajay Kaul, CEO-cum-Whole time Director, Jubilant FoodWorks Limited said,** "Q2 performance has been encouraging for JFL. Our key strengths of innovation, technology and superior reach across regions, have helped JFL deliver positive results in an environment that is pressured by constrained consumer spends.

*With our ROI-centric approach towards expansion of restaurants for both our brands, we have successfully grown our network at a healthy pace. Today Domino's Pizza is spread across 251 cities in the country with a network of 1085 restaurants, while Dunkin' Donuts has 73 restaurants across 23 cities.*

*Going ahead we are committed to executing on our long-term growth strategy and believe there are compelling opportunities ahead as we expand our reach to new and existing customers."*

## Highlights

Domino's Pizza				
Particulars	Q2 FY17	Q2 FY16	H1 FY17	H1 FY16
SSG	4.2%	3.2%	0.5%	4.0%
Network data				
	Q2 FY17	Q2 FY16	H1 FY17	H1 FY16
Restaurant at the beginning of the period	1049	911	1026	876
New Restaurants	32	39	55	74
Closed restaurants	-	-	-	-
<b>Restaurants at the end of the period</b>	<b>1081</b>	<b>950</b>	<b>1081</b>	<b>950</b>
Number of New Cities added	7	8	15	20
<b>1085</b> restaurants as of 26 October 2016 across 251 cities				
New cities with 1st restaurant in Q2 FY17				
<ul style="list-style-type: none"> <li>Nanded (Maharashtra)</li> <li>Miraj (Maharashtra)</li> <li>Kottayam (Kerala)</li> <li>Huttur Hubli (Karnataka),</li> </ul>		<ul style="list-style-type: none"> <li>Suryapet (Telangana)</li> <li>Bettiah (Bihar)</li> <li>Nagaon (Assam)</li> </ul>		
Online data				
Particulars	Q2 FY17		Q2 FY16	
OLO to Delivery Sales %	47%		36%	
Mobile Ordering sales to OLO %	54%		30%	
App Download Count (in mn)	5.0		3.5	
New Product launches during the year				
<ul style="list-style-type: none"> <li><b>Navratra Pizza</b> - Crust made with water chestnut (Singhara) &amp; White Millet (Samak) flour, fresh paneer &amp; mozzarella cheese with rock salt.</li> <li><b>Burger Pizza</b>- 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</li> <li><b>Pizza Mania Extremes</b> - 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</li> </ul>				

\* "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)

<b>Dunkin' Donuts</b>				
<b>Particulars</b>	<b>Q2 FY17</b>	<b>Q2 FY16</b>	<b>H1FY17</b>	<b>H1FY16</b>
<b>Network data</b>				
Restaurants at beginning of period	77	59	71	54
New restaurants	1	7	8	12
Closed restaurants	5	-	6	-
<b>Restaurants at end of period</b>	<b>73</b>	<b>66</b>	<b>73</b>	<b>66</b>
City Count	23	23	23	23
<b>73</b> restaurants as of 26 October 2016 across 23 cities				
<b>New Product launches during the year</b>				
<ul style="list-style-type: none"> <li>• <b>Donut Cakes</b> – New era Dunkin' Donut cakes revel in the indulgence of chocolate in three glorious variants. Choco Strawberry for a playfully sweet strawberry twist. Choco Rum &amp; Raisins for a heady mix of flavorful fun. And Double Choco Chips for that extra, extra choco kick. Part donut, part cake, wholly sweet. 100% eggless</li> <li>• <b>DunkyDoos</b>- 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</li> <li>• <b>Big Joy Burger</b> - is an outcome of delivering the differentiated and delightful Dunkin' burger experience for the value conscious customers at an economical price point</li> </ul>				

#### **Result Analysis** (All figures as per Ind-AS)

**Total revenue** in Q2 FY17 was at Rs. 6,655 million.

- Revenues showed improvement on the back of enhanced volumes and positive same store sales growth, driven by;
  - Network extension into existing and new cities and towns
  - Menu additions such as Burger Pizza and Pizza Mania Extremes
  - Targeted promotional measures
  - Benefit of extensive online/mobile presence
- Domino's SSG during the period was at 4.2%

**Total Expenditure** in Q2 FY17 stood at Rs. 6,013 million, up 14%. This was the result of;

- Rise in employee cost due to increase in restaurant network and annual increments. This increase was offset by efficiency gains due to deployment of six sigma techniques and impact of increase in OLO business
- Increase in rental expenses as per escalation agreement and increased network
- Increment in other expenses as a result of heightened marketing and promotions in order to drive sales including the introduction of burger pizza
- Total number of employees as on 30 September 2016 stood at 28,321 as against 29,169 as on 30 September 2015. The reduction in headcount is result of a continuous focus on improving and enhancing productivity of every resource.

**EBITDA** in Q2 FY17 was at Rs. 643 million

- EBITDA performance stands constrained due to the challenging operating environment

- Gross Margins reflect the impact of higher promotional activities in order to enhance customer engagement
- Rise in rental expenses and other manufacturing expenses further burdened EBITDA during the quarter

**Profit after Tax** in Q2 FY17 stood at Rs 216 million

- PAT is reflective of the curbed revenue growth and impact of higher promotional activities on gross margins in the quarter on account of weak consumer sentiment

### **JFL's Outlook**

#### **ROI focused expansion**

- Pace of expansion to be strongly governed by ROI parameters
  - For FY17, target of around 130 new Domino's Pizza and around 15 new Dunkin' Donuts
  - Successfully opened 59 Domino's Pizza and 8 Dunkin' Donuts' restaurants thus far

#### **Enhance use of technology**

- Online and mobile ordering expected to gain further traction and continue meaningfully to overall performance

#### **Continuous investments for development of supply chain & manufacturing capabilities**

- Strengthen infrastructure to support growth and capitalize demand
- Progress on construction of Greater Noida mega commissary as per plan

#### **Brand development**

- Enhance brand equity through continuous efforts towards remaining relevant and given customers a delightful brand experience

#### **Driving Innovation initiatives**

- Innovation stands as a key component of business DNA and plays an important role in creating a unique advantage

#### **Business goals aligned to long term vision**

- Efforts to further strengthen business foundation will continue in order to best capitalize sector potential

### **Key achievements and awards received during the quarter**

- Domino's Pizza has won the "Best Customer Service Award" at the Indian Restaurant Awards 2016, organized by Franchise India.
- Dunkin' Donuts has won
  - "National Award - Excellence In Customer Service & Loyalty – in the Category of Café Restaurant" at Global Awards for Excellence in Quality Management & Leadership organized by World Quality Congress.

- “Asian Award for Best in Quality Service” at 7th Asian Best Employer Brand Award 2016 organized jointly by World HRD Congress.
- “National Award - Best Customer Service by a Café Restaurant” at Indian Restaurants Awards 2016 organized by Franchise India.
- “Food Safety Excellence Award” at the Dunkin’ International Middle East Rally Awards 2016 organized by Dunkin’ International.
- India CSR - world’s popular CSR newswire under its ‘3rd Annual CSR Awards Ceremony’ honored Jubilant FoodWorks Ltd for its significant contribution to society. The awards were won in two main categories Sanitation – Swacch Bharat Abhiyan (Clean our Neighborhood program) and Road Safety.

**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 1085 Domino’s Pizza restaurants across 251 cities (as of October 26, 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 October 26, 2016).

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