



JUBILANT
FoodWorks

Q1 FY20

EARNINGS PRESENTATION

July 2019

Jubilant FoodWorks Limited



HIGHLIGHTS Q1 FY20



- Operational Revenues at **Rs. 9,401 mn**, growth at **9.9%**
- Domino's Pizza Same Store Sales Growth (SSG) at **4.1%**. LFL Growth at **5.8%***



- Hong's Kitchen: Encouraging response from customers continues; on track to open 10 new stores in FY20
- Domino's Pizza Bangladesh continues to do well and ahead of our expectations.



- JFL EBITDA at **Rs. 2,191 mn**, **23.3%** of Net Sales



Domino's Pizza – **26 Stores** opened, 4 Stores closed. Total at 1,249



All New Domino's App saw a record number of downloads of **3.8mn** during the quarter

The current quarter numbers are as per IND-AS 116, consequently operating lease expenses have changed from rent/other expenses to depreciation and amortization expenses and finance costs. The company has adopted Modified Retrospective Approach for transition to IND-AS 116 from 1st April 2019. This approach does not require restatement of comparative information.

"Same store growth" (SSG) refers to the year-over-year growth in sales for restaurants opened before previous financial year. "Like-for-like" (LFL) Sales Growth refers to the year-over-year growth in sales for non-split restaurants opened before previous financial year.

Results Trends

	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1FY20 (W/O IND-AS 116)	Q1FY20 (With IND-AS 116)
System Growth	26.0%	21.3%	16.8%	10.9%	9.9%	9.9%
Domino's SSG*	25.9%	20.5%	14.6%	6.0%	4.1%	4.1%
Domino's LFL Gr(%)**	25.9%	20.7%	15.2%	7.4%	5.8%	5.8%
EBITDA Margin (%)#	16.6%	16.7%	18.4%	17.1%	15.7%	23.3%
PBT Margin (%) #	13.2%	13.6%	15.8%	13.3%	13.2%	12.1%
PAT Margin (%) #	8.7%	8.8%	10.4%	8.5%	8.7%	8.0%

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* "Same store growth" (SSG) refers to the year-over-year growth in sales for restaurants opened before previous financial year

** "Like-for-like" (LFL) Sales Growth refers to the year-over-year growth in sales for non-split restaurants opened before previous financial year



**RESULTS
TREND
STANDALONE**



HIGHLIGHTS

DOMINO'S PIZZA

RESTAURANT NETWORK



— ALL NEW —
DOMINO'S

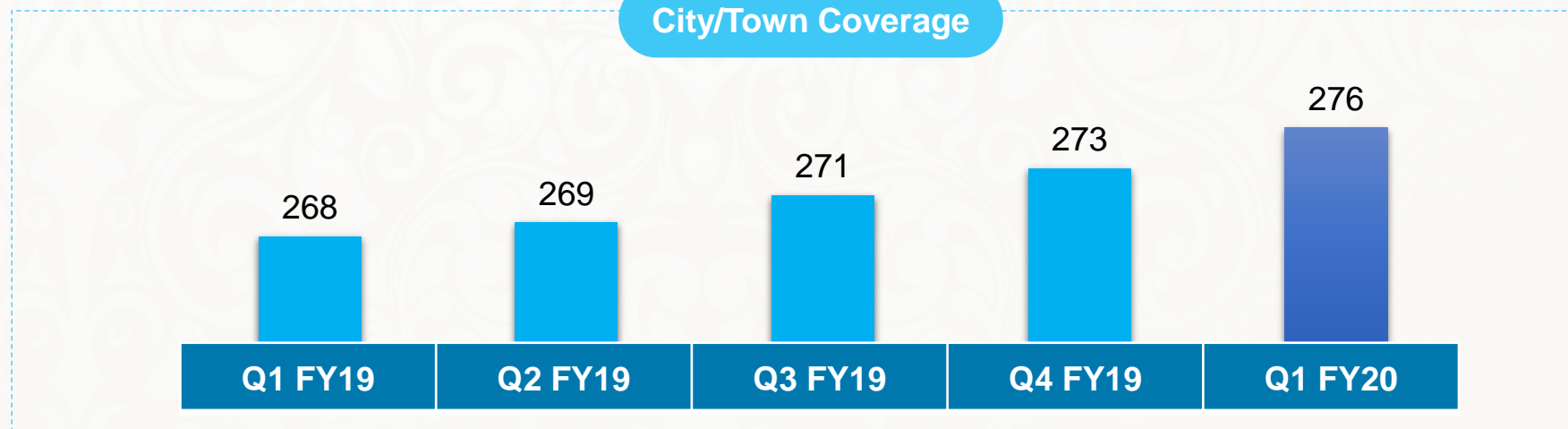
DOMINO'S PIZZA NETWORK DATA



	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20
Restaurant at the beginning of the period	1,134	1,144	1,167	1,200	1,227
New Restaurants	13	24	35	30	26
Closed restaurants	3	1	2	3	4
Restaurants at the end of the period	1,144	1,167	1,200	1,227	1,249

2 new city added in Q1 FY19

City/Town Coverage



* 3 new cities added in Q1 FY20 (Neemrana, Motihaari & Bilimora)

Online Ordering (OLO)

Period	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20
Average OLO contribution to delivery sales	65%	68%	73%	75%	81%
Mobile Ordering sales contribution to overall OLO	83%	85%	88%	88%	89%
Downloads of mobile ordering app (cum.)	10.9 mn	12.6 mn	15.3 mn	17.8 mn	21.6 mn



HIGHLIGHTS

**DUNKIN'
DONUTS**

**RESTAURANT
NETWORK**

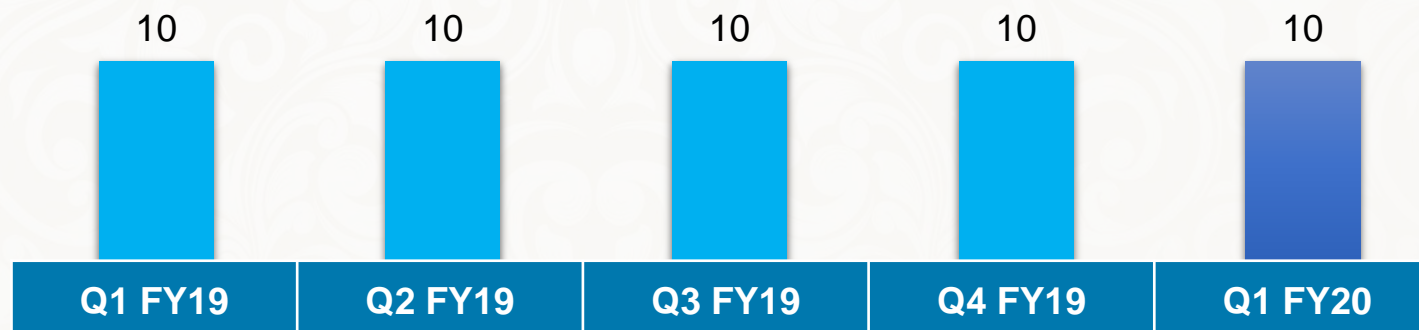


DUNKIN' DONUTS NETWORK DATA



	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20
Restaurant at the beginning of the period	37	37	32	32	31
New Restaurants	1	0	0	0	0
Closed restaurants	1	5	0	1	1
Restaurants at the end of the period	37	32	32	31	30

City/Town Coverage



Standalone Financials



RESULTS HIGHLIGHTS



Particulars (Rs. mn)	Q1 FY20 # (With IND-AS 116)	Q1 FY20 (W/O IND-AS 116)	Q1 FY19 (W/O IND-AS 116)	Growth% (Respective AS)	Growth% (W/O IND-AS 116)
Revenue from operations (Net)	9,401	9,401	8,551	9.9%	9.9%
Other Income	153	153	71	113.9%	113.9%
Total Income	9,554	9,554	8,622	10.8%	10.8%
Raw Material & Provisions Consumed	2,307	2,307	2,178	5.9%	5.9%
Personnel Expenses	1,842	1,842	1,563	17.9%	17.9%
Rent Expense	210	921	840	-75.0%	9.6%
Other Expenses	2,850	2,858	2,549	11.8%	12.1%
Total Expenditure	7,210	7,928	7,130	1.1%	11.2%
EBITDA	2,191	1,472	1,421	54.2%	3.6%
Margins	23.3%	15.7%	16.6%		
Interest Cost	395	3	-	0.0%	0.0%
Depreciation	808	378	366	120.9%	3.4%
PBT	1,141	1,244	1,126	1.3%	10.5%
Margins	12.1%	13.2%	13.2%		
Tax	393	429	380	3.4%	13.0%
PAT	748	815	747	0.1%	9.2%
Margins	8.0%	8.7%	8.7%		




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Overview on new lease accounting standard IND AS 116

- **New lease standard is effective 1st April 2019.**
- **Unlike old standard there is no distinction between finance lease & operating lease.**
- **All leases in BS to be recognized as assets & liabilities.**
- **Calculation of assets & liabilities:**
 - ✓ Lease liability is measured at present value of minimum lease payments to be made over lease terms.
 - ✓ Right of Use(ROU) is initially measured at amount of lease liability, adjusted for lease pre payments if any.
 - ✓ ROU is depreciated over lease term on straight line basis.
 - ✓ Interest is added, actual payments are reduced from lease liabilities.
- **Impact on profit & loss statement:**
 - ✓ Operating lease expense (fixed part) will be replaced by depreciation & interest cost, impacting EBITDA, EBIT, PBT and PAT.
- **Modified Retrospective Approach :** Company followed Modified Retrospective approach for transition to Ind AS 116 . This approach does not require restatement of comparative information for earlier period. The cumulative effect of initially applying the standard is recognized as an adjustment in retained earning .

What is Changing

A comparison of balance sheet and income statement – The “Before” and “After” in the books of a Lessee

Balance sheet			
	Ind AS 17		Ind AS 116
	Finance Leases	Operating Leases	All Leases
Assets		---	
Liabilities	\$\$	---	\$\$\$\$\$\$\$
Off balance sheet rights / obligations	---	 \$\$\$\$\$	---

Income statement			
	Ind AS 17		Ind AS 116
	Finance Leases	Operating Leases	All Leases
Revenue	X	X	X
Operating costs : Rent & Other expenses (excluding depreciation and amortization)	---	Single expense	---
EBITDA			↑↑
Depreciation and amortization	Depreciation	---	Depreciation
Operating Profit			↑
Finance costs	Interest	---	Interest
Profit before tax			



Commenting on the performance for Q1 FY20, **Mr. Shyam S. Bhartia, Chairman and Mr. Hari S. Bhartia, Co-Chairman, Jubilant FoodWorks Limited** said,

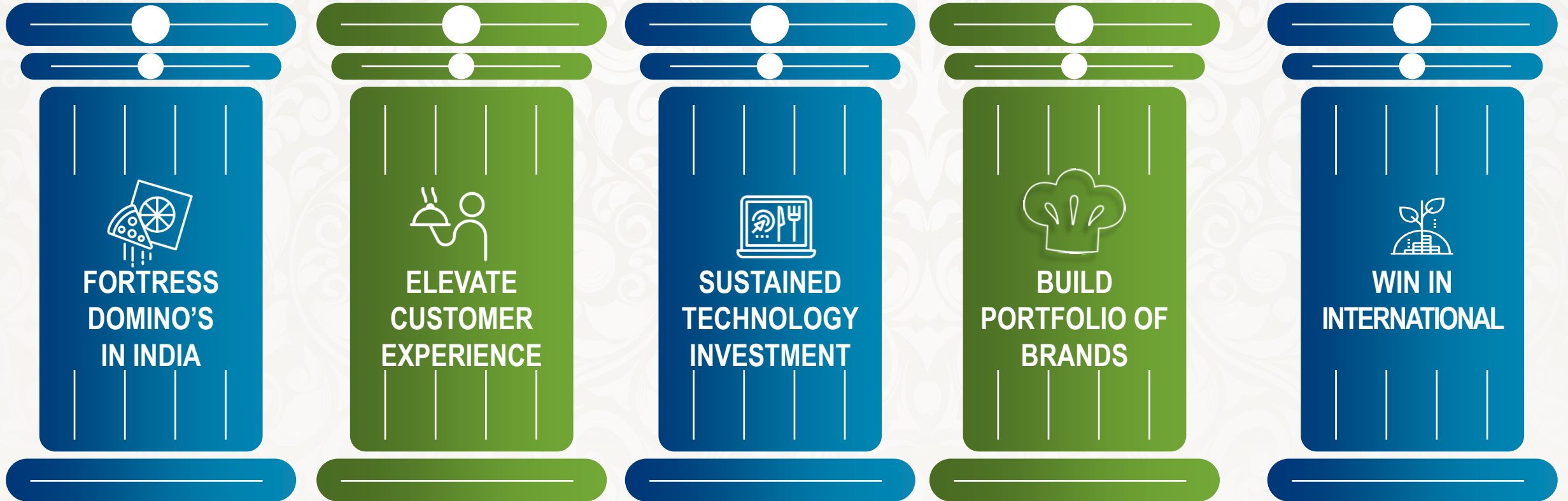
"We have started the year on an encouraging note. Domino's has been a very strong brand franchise and our strategic focus remains in brand building and innovation through high quality products, continued value for money, improved customer experience and an omnipresent network. Our recent launch in Bangladesh and our entry in Chinese food category through 'Hong's Kitchen' have received overwhelming response from our customers and should be long term growth drivers in the future."



Commenting on the performance for Q1 FY20, **Mr. Pratik Pota, CEO and Whole time Director, Jubilant FoodWorks Limited** said,

"We are pleased with the first quarter's performance. Lapping one of our highest quarters ever from last year, we delivered near double-digit growth and strong EBITDA margins. Online sales continued to be strong and now contribute to 81% of delivery sales. Our mobile app saw record downloads during the quarter. We are excited by the opportunities that lie ahead and are confident that we have right strategy to drive sustainable growth and create value"

KEY FOCUS AREAS



EFFICIENCY AND PRODUCTIVITY



ABOUT JUBILANT FOODWORKS LTD.

Jubilant FoodWorks Limited (JFL/Company) is part of Jubilant Bhartia group and is one of India's largest food service Company, with a network of 1,249 Domino's Pizza restaurants across 276 cities (as of June 30, 2019). The Company has 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 through its subsidiary companies in Sri Lanka and Bangladesh. The Company also has exclusive rights for developing and operating Dunkin' Donuts restaurants for India and has 30 Dunkin' Donuts restaurants across 10 cities in India (as of June 30, 2019). JFL has entered into the Chinese cuisine segment with its first owned restaurant brand, 'Hong's Kitchen' and has 1 Hong's Kitchen restaurant across 1 city in India (as of June 30, 2019).

Corporate Identification No: L74899UP1995PLC043677

Investor e-mail id: investor@jublfood.com

Regd. Office: Plot 1A, Sector 16A, Institutional Area, Noida-201301, U.P.

Corporate Office: 5th Floor, Tower D, Plot No. 5, Logix Techno Park, Sector 127, Noida 201304, U.P.

Website : www.jubilantfoodworks.com, www.dominos.co.in, www.dunkinindia.com, www.hongskitchen.in

Prakash Bisht / Amit Gupta

Jubilant FoodWorks Limited

Tel: +91 120 4090 500

Fax: +91 120 4090 599

E-mail: prakash.bisht2@jublfood.com

amit.gupta1@jublfood.com

Siddharth Rangnekar / Nishid Solanki

CDR, India

Tel: +91 22 6645 1209/1221

Fax: +91 22 6645 1213

Email: siddharth@cdr-india.com

nishid@cdr-india.com

Note: All financial data in this presentation is derived from reviewed standalone IND-AS financial statements

Disclaimer

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. JFL will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances

