



JUBILANT
FOODWORKS

Q3 & 9M FY20

EARNINGS PRESENTATION

January 2020

Jubilant FoodWorks Limited





HIGHLIGHTS Q3 FY20



- Operational Revenues stood at **Rs. 10,596 mn**, growth of **14.1%**
- Domino's Pizza "Like-for-like" (LFL) Sales Growth at **7.2%**. Same Store Sales Growth (SSG) at **5.9%**



- JFL EBITDA for the quarter stood at **Rs. 2,536 mn**, **23.9%** of Net Sales



- Domino's Pizza – **44 Stores** opened, 2 Stores closed. Total at 1325
- Continued strong momentum in store openings



- Bangladesh: Opened 3rd store during the quarter.
- Hong's Kitchen: Opened 2nd store during the quarter



- Launched new brand campaign – '**Dil, Dosti, Domino's**' to strengthen the emotional connect with consumers
- Introduced new pizza category – '**All New Masala Pizzas**' both across Veg. and Non-Veg options

FY20 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.

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

Results Trends



RESULTS TREND STANDALONE

	Q1 FY19 (W/O IND- AS 116)	Q2 FY19 (W/O IND- AS 116)	Q3 FY19 (W/O IND- AS 116)	Q4 FY19 (W/O IND- AS 116)	Q1 FY20 (W/O IND- AS 116)	Q2 FY20 (W/O IND- AS 116)	Q3 FY20 (W/O IND- AS 116)	Q1 FY20 (With IND- AS 116)	Q2 FY20 (With IND- AS 116)	Q3 FY20 (With IND- AS 116)
System Growth	26.0%	21.3%	16.8%	10.9%	9.9%	12.1%	14.1%	9.9%	12.1%	14.1%
Domino's LFL Gr (%)*	25.9%	20.7%	15.2%	7.4%	5.8%	6.5%	7.2%	5.8%	6.5%	7.2%
Domino's SSG (%)**	25.9%	20.5%	14.6%	6.0%	4.1%	4.9%	5.9%	4.1%	4.9%	5.9%
EBITDA Margin (%)#	16.6%	16.7%	18.4%	17.1%	15.7%	16.4%	16.6%	23.3%	23.8%	23.9%
PBT Margin (%)#	13.2%	13.6%	15.8%	13.3%	13.2%	12.8%	14.2%	12.1%	11.7%	13.1%
PAT Margin (%)#	8.7%	8.8%	10.4%	8.5%	8.7%	12.3%^	10.6%	8.0%	7.7%^	9.8%

FY20 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. However, for the purpose of comparison, FY20 numbers in this slide have also been restated as per Old Reporting Standard. For the purpose of comparison, tax expense has been recalculated on memorandum basis on the profit before tax as per Old Reporting Standard

The company elected to exercise option permitted under section 115BAA of the Income Tax Act 1961 with effect from Q2 FY20 onwards. Q2 FY20 PAT also includes one time adjustment on account of re-measurement of deferred tax. and true up of tax expense of Q1 FY20

^ Normalized Q2 FY20 PAT margin before One time Tax Charge and Exceptional Item is 10.6% (W/O IND-AS 116) and 9.7% (with IND-AS 116)

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

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

DOMINO'S PIZZA NETWORK DATA



HIGHLIGHTS

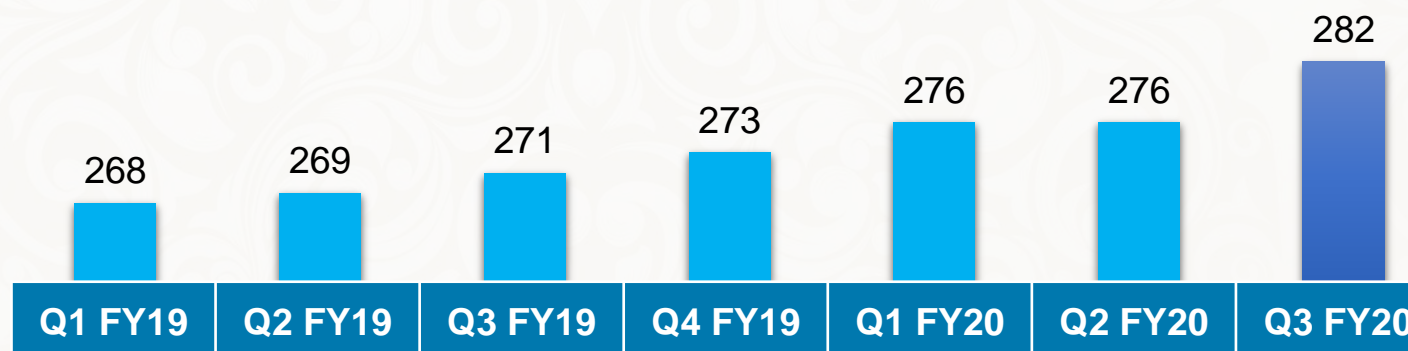
DOMINO'S PIZZA

RESTAURANT NETWORK

	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20
Restaurant at the beginning of the period	1,134	1,144	1,167	1,200	1,227	1,249	1,283
New Restaurants	13	24	35	30	26	40	44
Closed restaurants	3	1	2	3	4	6	2
Restaurants at the end of the period	1,144	1,167	1,200	1,227	1,249	1,283	1,325

2 new city added in Q1 FY19

City/Town Coverage



1 new state (Mizoram) and 06 new cities in Q3 FY20 [Dahanu (Maharashtra), Mandya (Karnataka), Bongaigaon (Assam), Kevadia (Gujarat), Aizawl (Mizoram), Gurdaspur (Punjab)]



— ALL NEW —
DOMINO'S

Online Ordering (OLO)

Period	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20
Average OLO contribution to delivery sales	65%	68%	73%	75%	81%	85%	87%
Mobile Ordering sales contribution to overall OLO	83%	85%	88%	88%	89%	93%	95%
Downloads of mobile ordering app (cum.)	10.9 mn	12.6 mn	15.3 mn	17.8 mn	21.6 mn	25.3 mn	29.4 mn

*Dil, Dosti,
Domino's!*



A new brand campaign
– ‘Dil, Dosti, Domino’s!’

“Domino’s Pizza has always been a catalyst for creating Tasty Moments of Togetherness. The brand has launched a new campaign ‘Dil, Dosti, Domino’s!’ to further strengthen that relationship with its consumers”



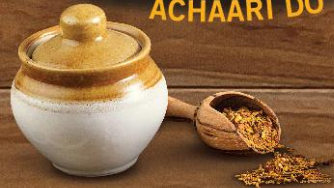
ALL NEW
MASALA
PIZZAS IN 5 NEW
FLAVOURS

STARTING AT ₹99* EACH
WITH EVERYDAY VALUE



*Taxes Extra. T&C Apply.

Dil, Dosti, Domino's!





HIGHLIGHTS

DUNKIN' DONUTS

RESTAURANT NETWORK

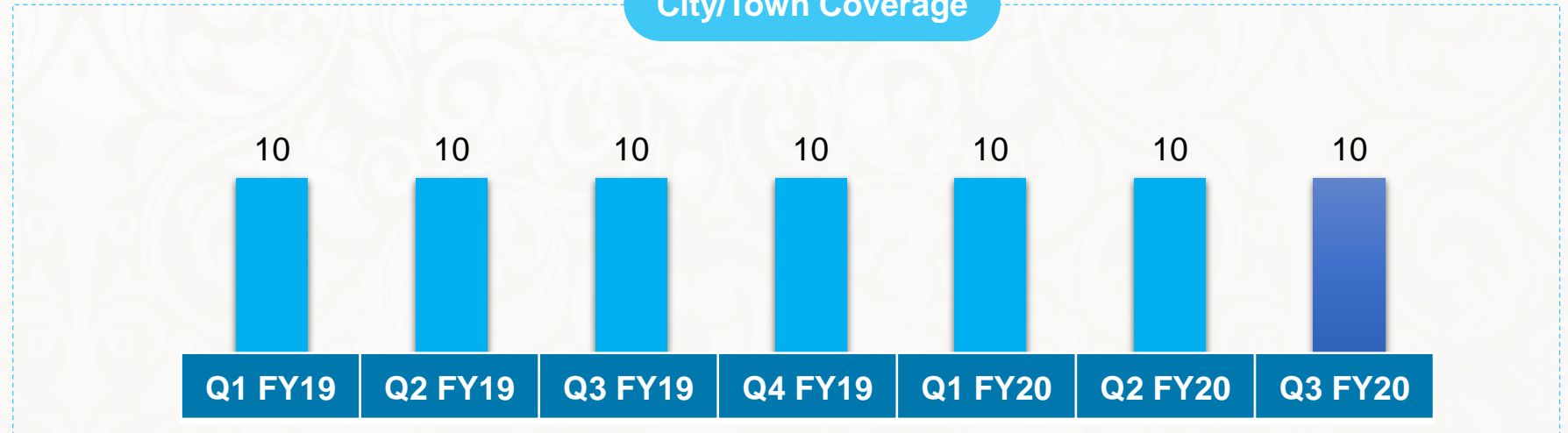


DUNKIN' DONUTS NETWORK DATA



	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20
Restaurant at the beginning of the period	37	37	32	32	31	30	30
New Restaurants	1	0	0	0	0	0	2
Closed restaurants	1	5	0	1	1	0	0
Restaurants at the end of the period	37	32	32	31	30	30	32

City/Town Coverage



Quarterly Standalone Financials



RESULTS HIGHLIGHTS

Particulars (Rs. mn)	Q3 FY20 # (With IND-AS 116)	Q3 FY20 (W/O IND-AS 116)	Q3 FY19 (W/O IND-AS 116)	Growth% (Respective AS)	Growth% (W/O IND-AS 116)
Revenue from operations (Net)	10,596	10,596	9,291	14.1%	14.1%
Other Income	159	152	138	15.3%	10.0%
Total Income	10,755	10,748	9,429	14.1%	14.0%
Raw Material & Provisions Consumed	2,659	2,659	2,271	17.1%	17.1%
Personnel Expenses	2,072	2,072	1,771	17.0%	17.0%
Rent Expense	201	967	866	-76.8%	11.6%
Other Expenses	3,129	3,136	2,676	16.9%	17.2%
Total Expenditure	8,060	8,834	7,585	6.3%	16.5%
EBITDA	2,536	1,762	1,706	48.7%	3.3%
<i>Margins</i>	23.9%	16.6%	18.4%		
Interest Cost	426	0	0	0.0%	0.0%
Depreciation	880	410	373	136.0%	10.0%
PBT	1,389	1,504	1,471	-5.6%	2.2%
<i>Margins</i>	13.1%	14.2%	15.8%		
Tax	352	381	506	-30.4%	-24.7%
PAT	1,037	1,123	965	7.5%	16.3%
<i>Margins</i>	9.8%	10.6%	10.4%		

The current quarter reported numbers are as per IND-AS 116. 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. However, for the purpose of comparison, Q3 FY20 numbers in this slide have also been restated as per Old Reporting Standard. For the purpose of comparison, tax expense has been recalculated on memorandum basis on the profit before tax as per Old Reporting Standard.



— ALL NEW —
DOMINO'S

Nine Monthly Standalone Financials



RESULTS HIGHLIGHTS

Particulars (Rs. mn)	9M FY20 # (With IND-AS 116)	9M FY20 (W/O IND-AS 116)	9M FY19 (W/O IND-AS 116)	Growth% (Respective AS)	Growth% (W/O IND-AS 116)
Revenue from operations (Net)	29,879	29,879	26,655	12.1%	12.1%
Other Income	484	473	318	52.4%	48.9%
Total Income	30,363	30,352	26,972	12.6%	12.5%
Raw Material & Provisions Consumed	7,410	7,410	6,688	10.8%	10.8%
Personnel Expenses	5,886	5,886	5,036	16.9%	16.9%
Rent Expense	617	2,818	2,536	-75.7%	11.1%
Other Expenses	8,890	8,912	7,794	14.1%	14.3%
Total Expenditure	22,803	25,027	22,053	3.4%	13.5%
EBITDA	7,076	4,853	4,602	53.8%	5.5%
<i>Margins</i>	23.7%	16.2%	17.3%		
Interest Cost	1,225	2	0	0.0%	0.0%
Depreciation	2,525	1,182	1,123	124.9%	5.3%
Exceptional Items [^]	125	125	0	0.0%	0.0%
PBT	3,685	4,017	3,797	-2.9%	5.8%
<i>Margins</i>	12.3%	13.4%	14.2%		
Tax	1,141	863	1,308	-12.8%	-34.0%
PAT	2,544	3,154	2,489	2.2%	26.7%
<i>Margins</i>	8.5%	10.6%	9.3%		

The current nine months reported numbers are as per IND-AS 116. 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. However, for the purpose of comparison, 9M FY20 numbers in this slide have also been restated as per Old Reporting Standard. For the purpose of comparison, tax expense has been recalculated on memorandum basis on the profit before tax as per Old Reporting Standard.

[^] Exceptional item represents provision created against investments made by Jubilant FoodWorks Employee Provident Fund Trust, in the corporate bonds of DHFL, Reliance Capital & IL&FS and fully provided for on account of prevailing uncertainties.

The tax expense under IND-AS 116 includes one time tax charge on account of re-measurement of deferred tax of Rs.216Mn created from retained earnings as on 1st April 2019 on transition to IND-AS 116.

The tax expense without IND AS 116 includes one time tax gain on account of re-measurement of deferred tax of Rs.145Mn created from retained earnings as on 1st April 2019 on transition to IND-AS 116.



— ALL NEW —
DOMINO'S

- **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	---	<div style="border: 1px solid black; padding: 2px;"> 🚗 🚗 🏠 \$\$\$\$\$ </div>	---

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			



MANAGEMENT VIEWS



Commenting on the performance for Q3 FY20, **Mr. Shyam S. Bhartia, Chairman and Mr. Hari S. Bhartia, Co-Chairman, Jubilant FoodWorks Limited** said,

“We have maintained strong growth momentum despite slowdown in consumption trends. This was driven by our increased focus on basics of the business, while elevating the customer experience. We will continue to emphasize on our key pillars of growth to deliver sustained growth going forward.”

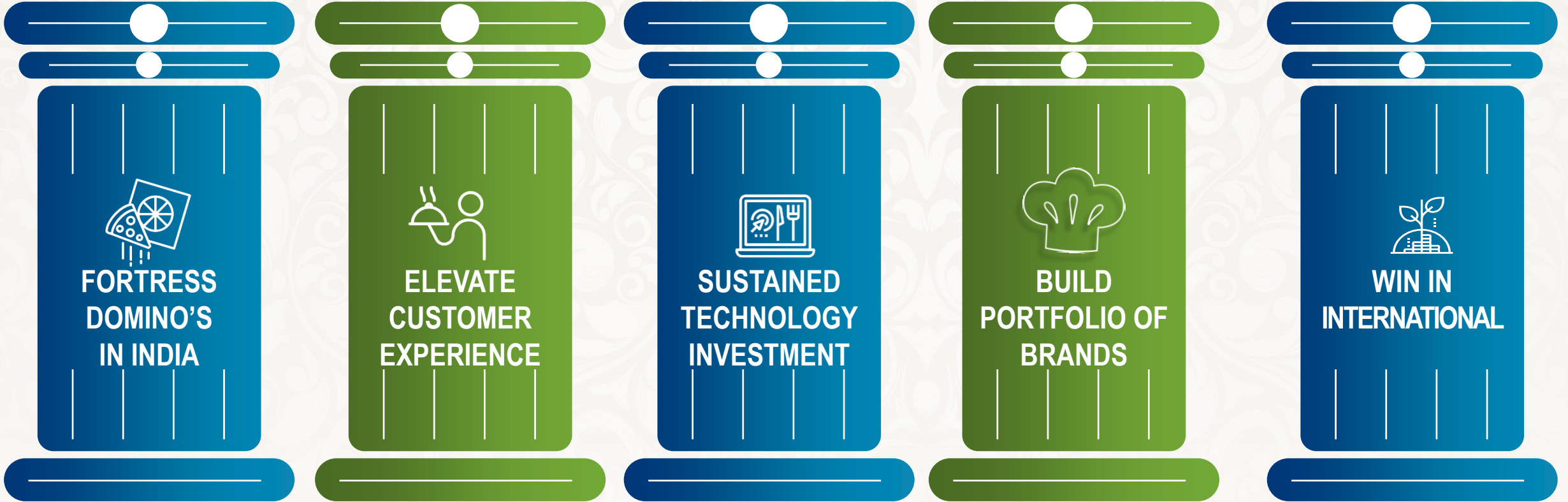


Commenting on the performance for Q3 FY20, **Mr. Pratik Pota, CEO and Whole time Director, Jubilant FoodWorks Limited** said,

“We are pleased with the quarter’s performance. Faced with a challenging demand environment and unprecedented inflationary commodity trends, we delivered a strong revenue growth of 14.1% and a sequential improvement in EBITDA margins. Underlining our belief in the potential of the Indian Food Service market, we stepped up the pace of new store expansion, opening 47 new stores during the quarter.”



KEY FOCUS AREAS



EFFICIENCY AND PRODUCTIVITY

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 1325 Domino's Pizza restaurants across 282 cities (as of December 31, 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 32 Dunkin' Donuts restaurants across 10 cities in India (as of December 31, 2019). JFL has entered into the Chinese cuisine segment with its first owned restaurant brand, 'Hong's Kitchen' and has 2 Hong's kitchen restaurant across 2 cities in India (as of December 31, 2019).



ABOUT JUBILANT FOODWORKS LTD.

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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

