

JFL/NSE-BSE/2022-23/140

February 1, 2023

**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: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")**

Dear Sir/ Madam,

Pursuant to Regulation 30 of Listing Regulations, please find enclosed herewith opening remarks shared by Company's management in today's earnings conference call as per Annexure - A.

The aforesaid information is being made available on the Company's website at <https://www.jubilantfoodworks.com/investors-shareholder-information-stock-exchange-filings>

This is for your information and records.

Thanking you,  
For **Jubilant FoodWorks Limited**

**Mona Aggarwal**  
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**A Jubilant Bhartia Company**

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**Prepared Remarks for Q3 and 9M FY23**

**Mr. Hari Bhartia**

Thank you, Deepak, and Good Evening, everyone. Welcome to our earnings call.

We are operating in a challenging macro environment. While the festive season helped us deliver record revenue in the month of October, the consumer demand momentum suddenly decelerated starting November. As a result, Domino's India reported a flat LFL growth in the quarter and our overall revenue growth was 10.3%, low by our own standards.

Our team is focused on getting the LFL growth back - by focusing on providing excellent service to our customers, doubling down on our digital assets, enrolling customers in the loyalty program and carefully planning on geographic expansion. Over the last 25 years, we have always executed with operational excellence and empowered the front-line teams of our restaurant managers while delivering high value-for-money quotient to consumers. In these years, our emphasis has always been on driving internal productivity and closely monitoring our cost structure. Notably, we continue to remain the most affordable national pizza brand, while being the most profitable food service Company in India. We are doubling down on our strengths and focusing on the core businesses. In this call Sameer will share more details on this topic.

The delivery channel has grown on a strong base of last year and the dine-in and takeaway sales continue to present the opportunity for growth. I am happy with our progress in driving our digital agenda, which has helped us deliver all-time record app installs and MAU at 9.4 million and 11.3 million, respectively. Cumulative enrollments to Domino's Cheesy Rewards crossed 10.6 million mark in December and order contribution from loyal members reached 39%.

We continue to add stores at a rapid pace stores in India and have picked up pace in Sri Lanka and Bangladesh. We added a total of 73 stores in the quarter We continue to be humbled by the customer love that Popeyes is receiving and have expanded to Chennai. Year to date, JFL has added 221 stores.

On the cost side, dairy prices, particularly cheese, is at decadal high, coupled with high inflation in wheat flour and hikes in minimum wages in many states. The team is focused on reducing wastages, driving productivity and improving efficiency with intensity.

Overall, I remain confident of getting growth back into the business by looking at how our company is focusing on providing best tasting food to our customers, innovating on price points, rapidly building out digital assets and investing in long term health of the business.

Let me now turn over to Sameer to share quarter's highlights and plan to bring LFL growth back.

**Mr. Sameer Khetarpal:**

Thank you, Mr. Bhartia, and good evening, everyone. Thank you for joining the call today.

At the outset, I am happy to announce greater disclosures for our investors. To the extent it doesn't hurt our competitive interests, we have shared all relevant disclosures, allowing the entire investor community to understand our unique business positioning and how we are progressing. I hope you will find added disclosures enriching.

I will first start off by sharing the quarter highlights. I will then turn to sharing an update on my immediate agenda to improve LFL growth for Domino's. In the end, I will share my strategy and allied priorities with you before turning to Q&A.

The Revenue from Operations of Rs. 13,166 million grew by 10.3% versus the prior year. In Dominos, revenue growth was order driven. The Like-for-Like growth came in at 0.3%.

The historic high inflation in cheese and flour prices had significantly impacted our gross margins, which came in at 75.5%, lower by 213 bps year-on-year and 77 bps quarter-on-quarter.

EBITDA was at Rs. 2,900 million, which was lower by 8.6% versus the prior year. The EBITDA margin came in at 22.0%, lower by 457 bps year-on-year and 228 bps quarter-on-quarter. Profit After Tax came in at Rs. 886 million. PAT margin was at 6.7%.

Let me now turn to key operational updates.

- Network expansion in India: We added 60 new Domino's stores and entered 16 new cities during the quarter. We now serve our guests through 1,760 Domino's stores across 387 cities in India. We have added 193 net stores in the current fiscal year. I am happy with the rigor attached with every new store proposal, which forms the bedrock for sustained profitable growth led by network expansion.
- We have added 12 new Popeyes stores in Bengaluru in the last 12 months, and as you are aware, in January, we opened our first Popeyes store in Chennai.
- Our new state-of-the-art food factory in Bengaluru, likely to be commissioned by Q1FY24, is central to our network expansion strategy for Popeyes in South India. Notably, India is the first market for Popeyes globally and the only Chicken-QSR player in India to move chicken marination to a centralized facility, which ensures consistent quality and high fill rates to the store. This significantly improves the consistency of taste, visibly translating into higher repeat rates for the brand.
- In Hong's Kitchen, we have seen remarkable progress with further enhancement in taste, improvement in repeat rates, increase in orders and record high NPS. During the quarter, we closed two stores to relocate them to near-by locations that offer both dine-in and take-away.
- In Dunkin', during the quarter, we unveiled a new restaurant design in India as part of Inspire brand's global coffee-forward evolution. The entire brand overhaul reflects our intent to be young-at-heart, go-to-coffee destination. The coffee retail category is constantly expanding, and Dunkin' will continue to innovate fast with beverage-first and a donut as the value proposition.

- On the digital front, all our Domino's App-related metrics are scaling record high or are holding up to high levels. App installs at 9.4 mn, MAU at 11.3 mn with a growth of 22.8%, and app ratings on Play Store and iOS at 4.5 and 4.7, respectively, are testament to a series of periodic improvements being done with a well-structured combination of product management, technology, back-end support and necessary investments to surpass consumer expectations.
- Domino's Cheesy Rewards program has delivered a phenomenal early response that speaks about the strength of our engagement, the power of our brand, and the supporting platform. The program crossed 1 crore enrollments.
- International business: We see momentum in both Sri Lanka and Bangladesh. In these markets we are deploying the emerging market playbook for Domino's with cuisine localization, best value to customers, unmatched delivery credentials and digital channels as four pillars. Teams in Sri Lanka opened a record high seven new stores in a quarter taking the network strength to 47. The system sales growth was 24.9%, driven by the dine-in and takeaway channel growth. In Bangladesh, system sales grew by 44.7%, driven by growth in Dine-in and Delivery channels. We added two new stores taking the store tally to 13.

New store expansion for Domino's is on track, adding sales growth and providing leverage. Bringing LFL growth back in Domino's is top priority for me. At the outset, we have brought in greater focus by sunsetting two businesses – ChefBoss and Ekdum!

For Domino's specifically, we have laid out a detailed growth plan and are executing it with rigor.

In the last five months at JFL, I have noted tremendous opportunity and scope to grow even in a soft-demand environment and we are addressing this area with a sense of urgency.

- To grow LFL, we believe that Dine-in orders has to substantially grow at an accelerated pace.

Our targeted intervention for the same are two-fold:

- Firstly, we are swiftly executing our store reimaging program to convert tenured stores as per the latest ACE design.
- Secondly, we will continue to bolster our high value-for-money quotient with an intent to attract new customers to Dine-in with unmatched value offering. The launch of EDV at Rs 49 each as a Dine-in only proposition is a step forward in this direction.
- Helped by the store expansion, our delivery channel continues to grow on a high base as a result of permanent habit build across cities.

To my mind, the launch of 20-minute delivery proposition in 20 zones across 14 cities is a game-changing customer-centric innovation. A series of interventions which included fortification of stores, extensive and continued training of Dominoids, kitchen re-laying, automating ride time planning without compromising on rider safety, has helped us take this giant step in the direction of reduced delivery time. Elevated consumer experience through reduced delivery time is globally proven to deliver better customer satisfaction and lead to increased frequency across Domino's market.

Now on to my strategy and allied priorities for the business.

Over the last four months, I have met more than 500 customers, visited 200+ stores to meet our front-line teams, copiously taken note of our service on aggregators and visited our food-tech-parks.

After a deep immersion with all facets of our expansive business, understanding the inherent strength of the operating model, while being cognizant of the emerging headwinds, I have further sharpened our strategy by re-working on our priorities.

**Our first set of priorities relates to “Customer and Market First”.** Unequivocally, this is the single biggest long term value creating pillar. The underlying objective here is to build a multi-brand and multi-cuisine food service organization. We endeavor to serve multiple occasions, innovate on formats that drive engagement and customize menu for the local customers. This will allow Domino’s to scale in India, Sri Lanka and Bangladesh where the playbook is tested, grow Popeyes, address new market opportunities in coffee through Dunkin, and capture large white spaces in the category like Chinese food, through Hong’s Kitchen.

**Our second set of priorities relates to Data and Technology Forward.** Technology and data sciences takes customer offerings to beyond immediate physical boundaries of the store. It helps us understand our customers and deepen the relationship through loyalty programs like Cheesy Rewards and make it easier to order a pizza on a moving train. Equally, we will move forward by embedding automation in our kitchens, commissaries, and allied logistics with enterprise-grade processes. Finally, it is about building a future ready digital and technology ecosystem by combining captive capabilities, winning partnerships and thoughtful investments.

**Our third priority is to continue driving operational excellence.** We have to better today versus yesterday, and tomorrow versus today. Executing with excellence is a muscle and needs to be worked on every day basis, there are no short cuts here. From kitchen operations, to supply chain and logistics, procurement to project management, and to last mile operations, across brands and countries we have to have a JFL’s way of execution – ‘The JFL Way’. Secondly, with our scale and scope, we have to manage complexity at lower cost, generate leverage while bringing in continuous improvements in the backward integrated sourcing supply chain with state-of-the-art food tech parks.

One critical outcome of this priority will be continuous improvement across cost lines and productivity.

**Our fourth priority, essentially a pre-requisite for delivering on the first three priorities, is the foundation of people and culture.** Companies built to last, have a culture and people processes that are home grown. To succeed we will need (i) engaged and inclusive front-line teams; (ii) we have to become the employer of choice; and (iii) be guided by a unique JFL culture embedded with values that last beyond us.

As we work to execute each one of these priorities, my overarching goal is to deliver sustained and profitable growth that creates greater, long-term shareholder value.