

**Domino's
Pizza**



**JUBILANT
FOODWORKS**



**DUNKIN'
DONUTS
& MORE**

Q1 FY17 Earnings Presentation

September - 2016

Financial Highlights

Q1 FY17

Total Income at **Rs. 6,089 million**

EBITDA at **Rs. 577 million**

Net Profit after tax at **Rs. 190 million**

Key Developments

- Investments in innovative Technology to lead business growth
 - JFL has implemented SAP- HANA & ARIBA cloud platforms which would serve as an empowering tools for transforming business and provide the requisite agility to grow
 - The Company leveraged on the Oracle Transport Management system to strengthen its supply chain logistics across the country
 - JFL has started the deployment of a cutting edge speech recognition based order taking platform for select restaurants where customers would be greeted by a Virtual Assistant who can interact like a normal person
 - The Company's key business functions are supported by latest technology to provide information & analytics which help build capability to dynamically scale up to deliver consistent and improved customer experience

Continued expansion

Enhance customer reach

- Restaurant network expansion
- Technology-based accessibility



Capitalise potential - in the chained FSI which is poised to grow at a healthy rate



Exclusive franchise for Domino's Pizza and Dunkin' Donuts

Domino's Pizza- "Yeh Hai Rishton ka time" - for focussed on relationships and bonding and aimed at strengthening the emotional connect with consumers

Dunkin' Donuts & More- Get your Mojo back -focused on the urban youth consumer

New product development

- Keep developing & offering new/ wide range of products to build excitement and enrich culinary experience of customers



Talented & motivated workforce



- Employee empowerment
- Training & development
- Reward and recognition
- Career progression

Robust processes & infrastructure

- Hub-and-Spoke commissary arrangement
- Uninterrupted cold-chain
- Intensive site selection process for new restaurants
- Consistency of quality
- Joint utilisation of commissaries for both brands
- Deploying Six Sigma & SAP systems



Sustained Profitability

- Vision to drive long term growth and profitability
- Leveraging and building infrastructure and brand equity to capitalise on future potential
- Corporate governance



Food Safety and Quality Assurance

- Training on standards of Food safety and Quality
- Regular QA Assessment
- Third party assessment through NABL Accredited agency
- Regular compliance checks of food processes as per FSSAI guidelines
- Continual surveillance assessment of restaurants under ISO 22000 certification

- Stringent selection & monitoring process of new and existing suppliers based on key performance indicators for Quality and Food Safety requirements
- Food ingredient suppliers are FSMS certified
- Moving all vendors towards FSMS certification
- NABL Accredited Third Party Assessments Initiation for Core ingredient supplying Food Vendors
- Alliances with all vendors to continuously enhance Quality and Food safety norms and comply regulations

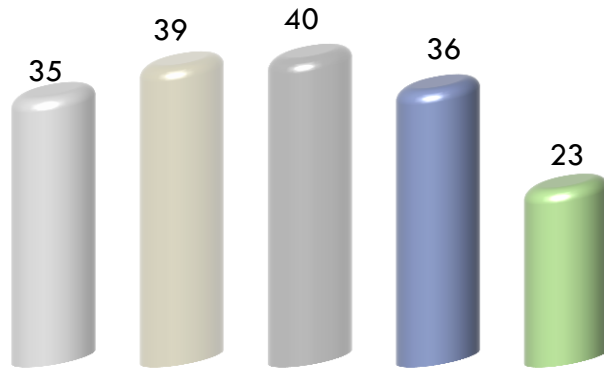


- Training of staff and managers on comprehensive standards of Food safety and Quality
- Stringent sampling of all raw materials & COA approach acceptance
- Comprehensive analysis of Food products as per FSSAI guidelines
- Regular food quality and safety QA assessments based on FSSAI Schedule 4 requirements
- Implemented FSMS (ISO 22000) certification in 5 Commissaries

Restaurants in 248 cities as of September 03, 2016

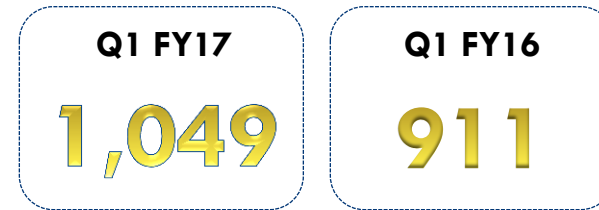
1,062

No. of restaurants opened



■ Q1 FY16 ■ Q2 FY16 ■ Q3 FY16 ■ Q4 FY16 ■ Q1 FY17

Total number of restaurants (as of)



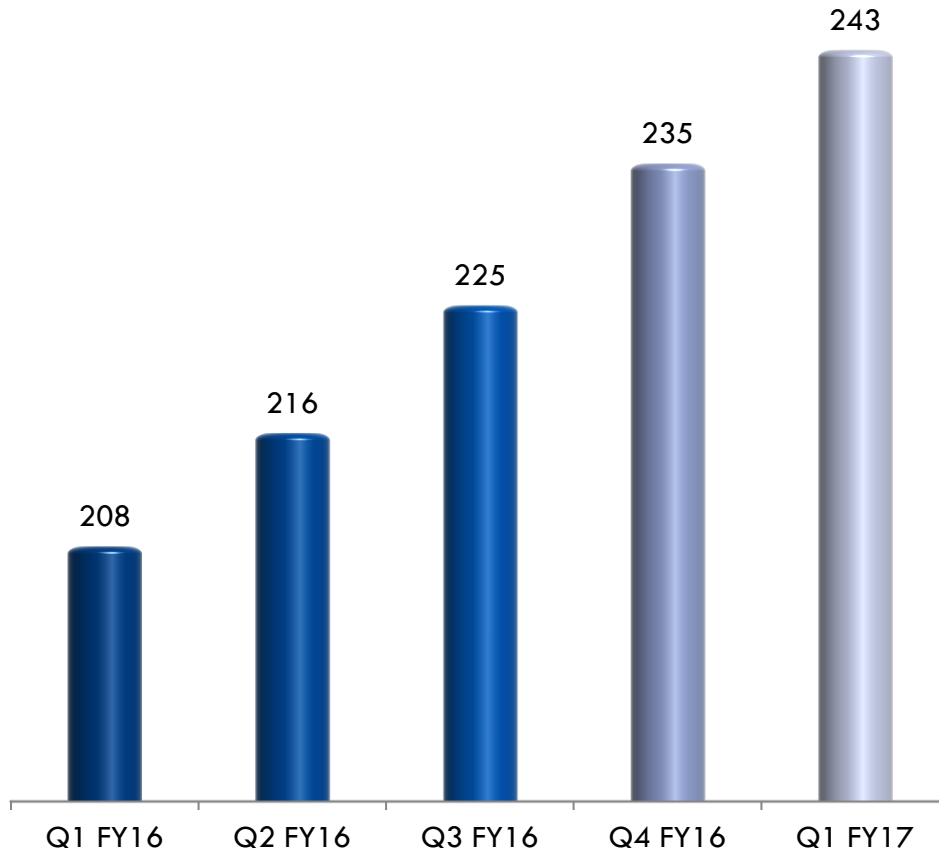
Same Store Growth(SSG) %

Q1 FY 17	(3.2)%
Q1 FY 16	4.6%

* "Same store growth" (SSG) refers to the year-over-year growth in restaurants for stores in operation for 2 whole years (i.e. current & previous year)

New Cities entered in Q1 FY17: Bardoli (Gujarat), Hapur, (Uttar Pradesh), Begusarai (Bihar), Kapurthala (Punjab), Yavatmal (Maharashtra), Harda (Madhya Pradesh), Palakkad (Kerala), Bahadurgarh (Haryana)

City/Town Coverage



States/Union Territory	Cities	Restaurants
Maharashtra	25	212
Uttar Pradesh	22	73
Gujarat	19	71
Haryana	19	51
Punjab	19	45
Madhya Pradesh	15	39
Karnataka	14	118
Tamil Nadu	12	74
Rajasthan	11	24
Seemandhra	10	18
Uttanchal	9	14
West Bengal	9	55
Bihar	8	16
Himachal Pradesh	8	8
Chhatisgarh	7	15
Kerala	6	16
Odisha	6	10
Assam	5	13
Jharkhand	5	9
Jammu & Kashmir	2	4
Sikkim	2	2
Telangana	2	53
Arunachal Pradesh	1	1
Chandigarh	1	7
Dadra And Nagar Haveli	1	1
Daman	1	1
Goa	1	11
Meghalaya	1	2
New Delhi	1	84
Puducherry	1	2
Grand Total	243	1,049



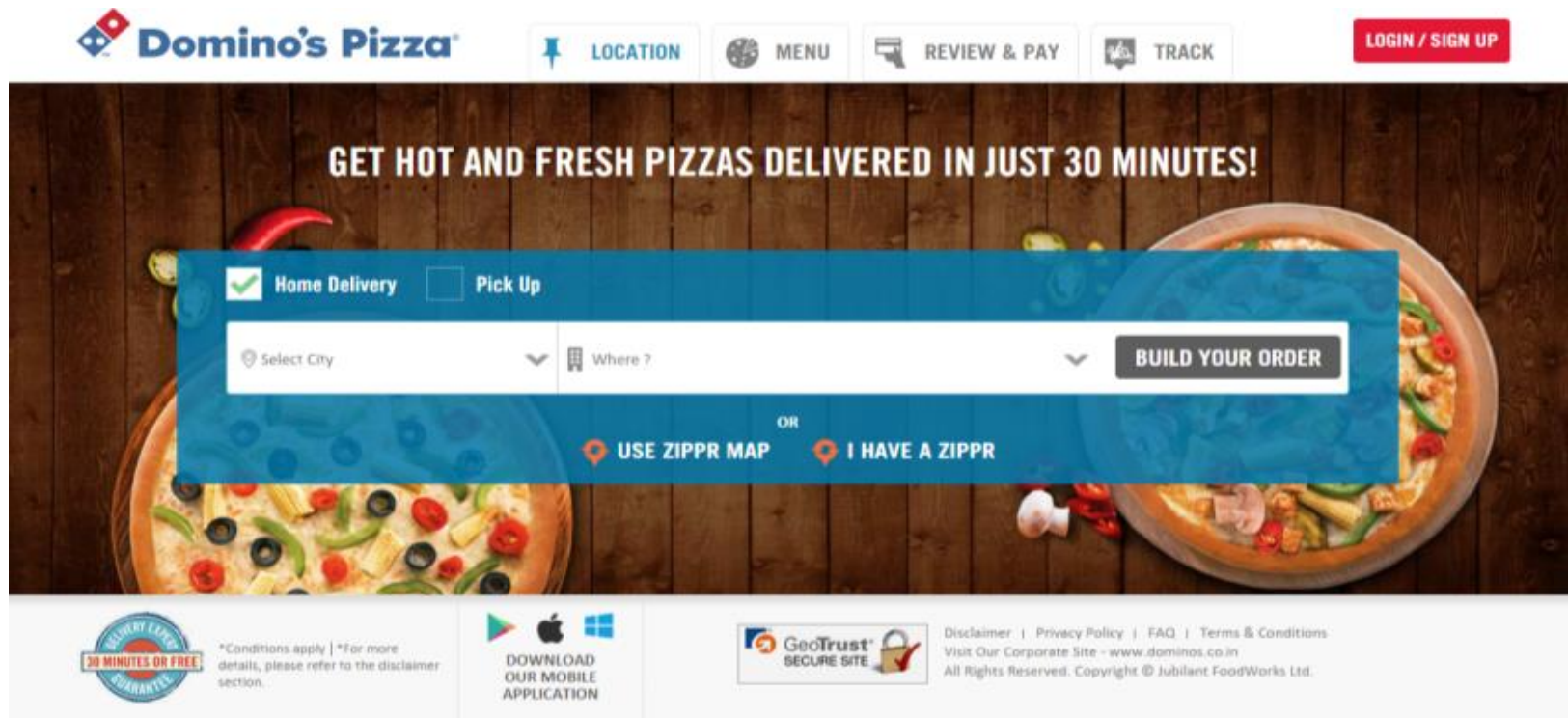
Pizza Mania Extremes

Pizza Mania Extremes - 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

Burger Pizza

Burger Pizza- 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

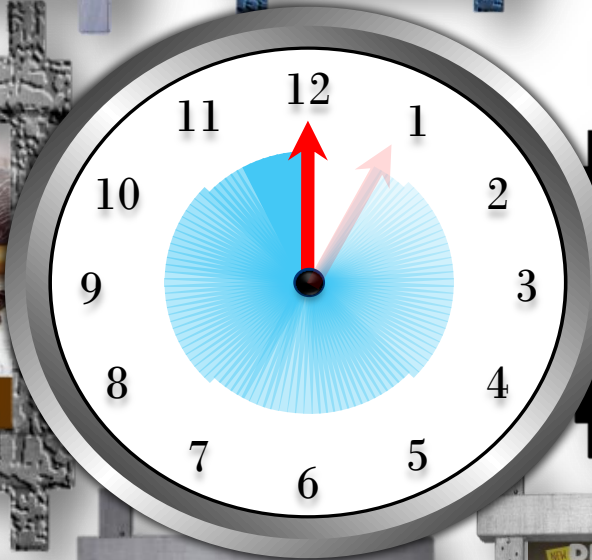




CLICK TO ORDER ONLINE

	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17
Average OLO contribution to delivery sales	33%	36%	36%	41%	44%
Mobile Ordering sales contribution to overall OLO	28%	30%	38%	38%	41%
Downloads of mobile ordering app	3.1 mn	3.5 mn	3.7 mn	3.9 mn	4.4 mn

Dunkin' Donuts & more - All Day Part Menu



73

Restaurants as on 03 September, 2016

Network data		
Particulars	Q1 FY17	Q1 FY16
Restaurants at beginning of period	71	54
New restaurants	7	5
Closed restaurants	1	-
Restaurants at end of period	77	59
City Count	23	21



DunkyDoos

DunkyDoos- 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

Big Joy Burgers

Big Joy Burger - is an outcome of delivering the differentiated and delightful Dunkin' burger experience for the value conscious customers at an economical price point



Commenting on the performance for Q1 FY17, Mr. Shyam S. Bhartia, Chairman and Mr. Hari S. Bhartia, Co-Chairman, Jubilant FoodWorks Limited said, *“A constrained consumption environment had an effect on the overall performance in the Q1FY17. Since then, exciting new product introductions have played an important role in driving sales. We hope in the Q2 we will see improved performance and positive same store growth.*

We have expanded Domino’s Pizza and Dunkin’ Donuts restaurant network with a focus on getting proper return on investment. We have also continued to make investment in new ERP, Digital Technology initiatives and Commissaries. All these investments will help us in bringing efficiency in Supply Chain, enhanced customer experience and capture growth through expansion of network.”

Commenting on the performance for Q1 FY17, Mr. Ajay Kaul, CEO-cum-Whole time Director, Jubilant FoodWorks Limited said, *“Our business model continues to deliver across parameters like expansion, innovation and operating efficiencies. We stand committed towards brand development and financial discipline. We have employed innovation as an essential tool to attract consumers with the help of our best in class marketing and sales execution efforts.*

Domino’s Pizza continues to penetrate new and existing markets better, thereby taking our total restaurant count to 1,062 for Domino’s Pizza and 73 for Dunkin’ Donuts as on date.

As we move ahead, given the improvement in current performance over Q1 and continued focus on initiatives, we are optimistic of delivering better performance.”

During the current quarter, the Company has implemented Ind AS accounting standard, as applicable.

Particulars (Rs. mn)	Q1 FY17	Q1 FY16	Growth %
Income from Sales	6,087.7	5,705.9	6.7%
Other Operating Income	1.5	1.0	47.2%
Total Income	6,089.2	5,706.9	6.7%

- Revenue performance tracked increase in the restaurant count for Domino's Pizza YoY. Gains also accrued on account of
 - Addition to the menu line under both brands
 - Promotional activities undertaken together with targeted CRM program initiatives
 - Higher engagement via the online /mobile platform for Domino's Pizza
- Consumption trend stood moderated as reflected in SSG of (3.2)%
 - Q2 is showing positive signs of normalization of growth pattern

Particulars (Rs. mn)	Q1 FY17	Q1 FY16	Growth %
Raw Material and Provisions Consumed	1,414.1	1,387.1	2.0%
Personnel Expenses	1,400.4	1,273.7	9.9%
Rent	717.8	603.1	19.0%
Other Expenses	1,979.5	1,769.9	11.8%
Total Expenditure	5,511.8	5,033.8	9.5%

- Total expenditure increased on account of
 - Rise in employee cost which was aligned to the sustained expansion plan of the company and wage increase/annual increments
 - Rental increase which stands correlated with increase in restaurant network along with pre-factored increases in rentals
 - Benefits on account of softening of raw material prices have partially offset the rise in operating expenses
- Total number of employees as on 30 June 2016 stood at 27,662 as compared to 28,684 as on 30 June 2015

Particulars (Rs. mn)	Q1 FY17	Q1 FY16	Growth %
EBITDA	577.4	673.1	(14.2)%
Margins	9.5%	11.8%	(230) bps

- EBITDA performance stands constrained due to the challenging operating environment which translated into subdued sales
- Rise in rental expenses and employee costs further burdened EBITDA during the quarter

Particulars (Rs. mn)	Q1 FY17	Q1 FY16	Growth %
PBT	282.1	410.6	(31.3)%
Margins	4.6%	7.2%	(260) bps
PAT	190.0	275.7	(31.1)%
Margins	3.1%	4.8%	(170) bps

- PAT reflects the impact of curbed revenue growth and SSG in the quarter on account of weak consumer sentiment

Particulars (Rs. mn)	Profit Reconciliation		
	Quarter ended March 31, 2016	Quarter ended June 30, 2015	Year ended March 31, 2016
Net Profit as reported under Previous GAAP	294.7	294.7	1,145.6
Effects of transition to Ind AS			
Actuarial Gain/(Loss) on employee defined benefit plan	(5.0)	(4.3)	(19.4)
Impact of discounting of Security deposit			
- Rent Expense (net of Straight lining)	(13.3)	(8.5)	(38.6)
- Other Income	12.9	12.8	52.4
Employee stock option Scheme measured at Fair Value	(18.9)	(18.9)	(75.8)
Income Tax (including deferred tax)	8.0	(0.1)	1.9
Provision for proposed dividend and tax thereon	-	-	-
Net Profit/(loss) for the Quarter/year ended under Ind AS and Reserves	278.3	275.7	1,066.2
Other Comprehensive Income/(expense) (net of taxes)	3.3	2.8	12.7
Total Comprehensive Income under Ind AS as reported	281.6	278.5	1,078.9



Focus on Expansion

- A prime objective for both the brands
 - For FY17, target of around 130 - 140 new Domino's Pizza and around 15 new Dunkin' Donuts
 - Successfully opened 36 Domino's Pizza and 8 Dunkin' Donuts' restaurants thus far
- Utilize digital platform to enhance reach and accessibility



Sustained and well executed investments in supply chain & manufacturing capabilities

- Efforts to fortify business infrastructure in order to align capabilities with business potential
- Greater Noida mega commissary (currently underway) to create world class facilities to cater to future growth



Brand development

- Being part of a dynamic industry, commands constant efforts to profitably grow the brands and make them more relevant to customer needs & preferences



Innovation and Business excellence

- Innovate on all aspects of business right from the way operations are conducted to menu offerings to finding unique way to connect with consumers
- Innovation continues to be a key differentiator



Vision on long term sustainable growth intact

- The Company remains driven to leverage its infrastructure and network to drive growth which is profitable and sustainable


Key achievements and awards during the quarter



Domino's Pizza won the **National Award – Best Deployment of Learning Management System** at Best in Class Learning & Development Awards



Organised by
World HRD
Congress




Domino's Pizza won the **National Award – Excellence in Customer Service**



Organised by
World HRD
Congress



JFL was awarded as **Best Risk Management Framework & System – Retail** award



Award by ICICI
Lombard and CNBC
TV18



JFL won the **National Award for Excellence in Corporate Communication** in the category of Best Annual Report for FY2016



Organised by
World HRD
Congress

Jubilant FoodWorks Limited (JFL/Company) is part of Jubilant Bhartia group and India's largest food service company, with a network of 1062 Domino's Pizza restaurants across 248 cities (as of Sep 03, 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 Sep 03, 2016).

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