

# Jubilant FoodWorks Limited

Press Release - Financial Results for Q4FY20 and FY2020



**Noida, May 20, 2020** – The Board of Directors of Jubilant FoodWorks Limited today approved the financial results for the quarter and full year ended March 31, 2020.

## Performance Snapshot – Q4FY20

- Operating Revenues at Rs. 8,979 million, growth of 3.8%
- EBITDA at Rs. 1,695 million and EBITDA Margin at 18.9%
- Profit After Tax at Rs. 210 million, Normalized PAT at Rs. 452 million and Normalized PAT Margin at 5.0%
- Domino's Like-for-Like (LFL) Sales growth at -2.3%, Same Store Growth (SSG) at -3.4%
- Overall 17 stores were opened, 13 stores for Domino's Pizza and 2 stores each in Dunkin' Donuts and Hong's Kitchen

## Performance Snapshot – FY20

- Operating Revenues at Rs. 38,858 million, growth of 10.1%
- EBITDA at Rs. 8,771 million and EBITDA Margin at 22.6%
- Profit After Tax at Rs. 2,755 million, Normalized PAT at Rs. 3,090 million and Normalized PAT Margin at 8.0%
- Domino's Like-for-Like (LFL) Sales growth at 4.5%, Same Store Growth (SSG) at 3.2%
- Overall 130 stores were opened, 123 stores for Domino's Pizza, 4 stores for Dunkin' Donuts and 3 stores for Hong's Kitchen

Operating Revenues for Q4FY20 stood at Rs. 8,979 million, a growth of 3.8% over Q4FY19. The Company had a strong revenue performance until February '20 with LFL growths in January '20 being 8.4% (SSG 7.2%) and in February '20 14.9% (SSG 13.1%). In March '20 however, there was a sharp drop in revenue due to COVID-19 pandemic and the consequent national lockdown, which impacted the overall quarter's performance adversely.

Particulars	Q1FY20	Q2FY20	Q3FY20	Jan'20	Feb'20	Mar '20	Q4FY20
LFL (DPI)	5.8%	6.5%	7.2%	8.4%	14.9%	(28.0)%	(2.3)%
SSG (DPI)	4.1%	4.9%	5.9%	7.2%	13.1%	(28.4)%	(3.4)%
Sale Gr% (Y-o-Y)	9.9%	12.1%	14.1%	15.9%	22.5%	(23.7) %	3.8%

In Q4FY20, EBITDA stood at Rs. 1,695 million, at 18.9% of revenue. The EBITDA during the quarter was impacted due to lower revenues, and inflationary trends in food ingredients which were partially offset by increased productivity.

Profit after tax was at Rs. 210 million, Normalized PAT was Rs. 452 million, a normalized margin of 5.0%. This includes an exceptional item of Rs. 323 Million on account of i) a provision for diminution in the value of investment of Rs. 200 million in the wholly owned subsidiary Jubilant Foodworks Lanka Pvt. Ltd., and ii) expenses of Rs.123 million specifically related to COVID-19 and the sudden lockdown.

For the financial year 2019-20, Operating Revenues stood at Rs. 38,858 million, up by 10.1% over FY19, driven by LFL of 4.5% and SSG of 3.2% in Domino's Pizza.

EBITDA came in at Rs. 8,771 million at 22.6% of revenue. Profit after Tax stood at Rs. 2,755 million and Normalized PAT was Rs. 3,090 million, a normalized margin of 8.0%. FY20 margins were significantly impacted due to very high commodity inflation and the COVID-19-related lockdown in Q4FY20.

The Company has a strong cash position, a strong balance sheet and it continue to generate healthy free cash flow. As on March 31, 2020, the Company had liquid funds equivalents to Rs. 6,914 million in the form of Cash and Cash equivalents, bank deposits and investments. The Company doesn't have any debt. This has enhanced the Company's ability to meet the liquidity needs in the foreseeable future.

## JFL response to COVID-19

- Strengthened hygiene and sanitation protocols in the stores and commissaries
- All employees to wear masks and gloves
- Launch of **'Zero Contact Delivery'** as an additional precautionary measure to ensure the safety of both customers and the delivery staff.
- All orders to be pre-paid, Cash On Delivery temporarily discontinued
- Weekly medical check-up of all store staff
- Urgent steps taken to cut costs and conserve cash
- **Partnered with FMCG majors to launch 'Domino's Essentials'** for delivering everyday grocery essentials.
- **Contributed Rs. 50 million\* to PM CARES Fund** in April '20, to support Government of India's initiatives in mitigating COVID-19 crisis.

\*Q4FY20 results doesn't include contribution of Rs. 50 million to PM CARES Fund.

Commenting on the performance for Q4FY20 and FY20, **Mr. Shyam S. Bhartia, Chairman and Mr. Hari S. Bhartia, Co-Chairman, Jubilant FoodWorks Limited said,**

*"The Coronavirus has brought about a once-in-a-lifetime crisis to society and business in general, and the restaurant industry in particular. We have taken a number of immediate steps to mitigate the impact of the virus on our business in the short term. In the longer term, we remain positive on the opportunity in the QSR space. Our strong balance sheet and the strength of our business model will ensure that we contain the adverse effects of the virus and come out stronger".*

Commenting on the performance for Q4FY20 and FY20, **Mr. Pratik Pota, CEO and Wholetime Director, Jubilant FoodWorks Limited said,**

*"Our strong run in Q4 was interrupted by the onset of Coronavirus and the consequent lockdown. Our response to the crisis has been swift and comprehensive. Our focus remained on ensuring employee and customer safety even as we moved to restore operations, cut costs and conserve cash. While the pandemic will alter consumer behavior and disrupt the category, we believe that with our strong and trusted brand, proven quality and hygiene credentials, a robust delivery business and growing Digital capabilities, we are uniquely positioned to emerge stronger from it."*

### Store Matrix

Domino's Pizza				
Particulars	Q4FY20	Q4FY19	FY20	FY19
Like-for-Like Growth*	(2.3)%	7.4%	4.5%	16.8%
SSG**	(3.4)%	6.0%	3.2%	16.4%
Network data				
Restaurant at the beginning of the period	1,325	1,200	1,227	1,134
New Restaurants	13	30	123	102
Closed restaurants	3	3	15	9
Restaurants at the end of the period	<b>1,335</b>	<b>1,227</b>	<b>1,335</b>	<b>1,227</b>
Number of New Cities added	Nil	2	9	7
1,335 restaurants as of 31st March, 2020 across 282 cities				
Online data				
Particulars	Q4FY20		Q4FY19	
OLO to Delivery Sales %	88.9%		75.3%	
Mobile Ordering sales to OLO %	96.1%		88.0%	
App Download Count cum. (in mn)	33.1		17.8	

\* "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."

### Dunkin' Donuts

#### Network data

Particulars	Q4FY20	Q4FY19	FY20	FY19
Restaurant at the beginning of the period	32	32	31	37
New Restaurants	2	0	4	1
Closed restaurants	0	1	1	7
Restaurants at the end of the period	34	31	34	31
Number of New Cities added	Nil	Nil	Nil	Nil
34 restaurants as of 31st March, 2020 across 10 cites				

**Note:**

1. Figures have been rounded off for the purpose of reporting.
2. All financial data in this presentation is derived from audited standalone IND-AS financial statements.
3. The financials of Dunkin' Donuts have and Hong's Kitchen been included in the results & related financial discussion.

**Note:**

With effect from 1st April 2019, the company has adopted Modified Retrospective Approach for transition to IND-AS 116. All 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. This approach does not require restatement of comparative information. For the purpose of comparison, tax expense has been recalculated on memorandum basis on the profit before tax as per Old Reporting Standard.

- EBITDA for Q4FY20 (without the impact of IND-AS 116) at Rs. 916 million; EBITDA Margin at 10.2%
- PAT for Q4FY20 (without the impact of IND-AS 116) at Rs. 278 million; PAT Margin at 3.1%
- Normalized PAT for Q4FY20 (without the impact of IND-AS 116) at Rs. 520 million; Normalized PAT Margin at 5.8%

**-ENDS-**



### 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 1,335 Domino's Pizza restaurants across 282 cities (as of March 31, 2020). 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 34 Dunkin' Donuts restaurants across 10 cities in India (as of March 31, 2020). JFL has entered into the Chinese cuisine segment with its first owned restaurant brand, 'Hong's Kitchen' and has 4 Hong's kitchen restaurant across 2 cities in India (as of March 31, 2020).

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### Disclaimer

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