

## **Business Model (Driving multi-dimensional growth)**

Our unique business model targets various market segments and dayparts, positioning us to capitalise on evolving opportunities. We focus on current demands and prospects, engaging customers through diverse channels, optimising costs, and executing efficiently with our talented team.

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- **Multi-category:** Burgers, Sides, Wraps, Coffee, Chicken, Desserts, Shakes, smoothies and coolers.  
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- **Multi-channel:** Dine-In, On-The-Go, Delivery, Takeaways, Drive-Thru.  
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- **Multi-daypart:** Breakfast, Meals, Snacks.  
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- **Multi-brand extensions:** McCafé, McBreakfast, McDelivery.  
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### **Powered by digital innovations:**

- We have seamlessly integrated our physical and digital channels to ensure a consistent brand experience.
- Invested in digital capabilities and technologies, including the McDelivery App for online ordering, self-ordering kiosks (SOK) at restaurants, on-the-go solutions, third-party ordering platforms (3POs), digital menu boards, and table service.
- Digital channels have significantly contributed to increasing our market share in the QSR industry, with 70% of the business being generated through these platforms.
- We recorded over 32 million cumulative app downloads, indicating a rise in consumer adoption of our digital platforms.

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## **Our Presence**

This year's record expansion, with 41 new restaurants bringing our total to 397 locations across 64 cities, highlights our robust growth and market presence. Our integrated omnichannel model now offers a seamless customer experience through the unified One McDonald's platform.

- **Growing Network:**
  - 397 Restaurants in 2024.
  - Our goal: 580 to 630 Restaurants by 2027.
  - 81 Drive-Thru's.
  - 360 McCafé's.
  - 292 Experience-of-the-Future (EOTF) stores.
- **Presence Across:** Telangana, Gujarat, Karnataka, Maharashtra, Tamil Nadu, Kerala, Chhattisgarh, Andhra Pradesh, Goa, and parts of Madhya Pradesh and the Union Territory of Puducherry.
- **Performance:** ₹63 mn Annualised average sales per store.

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## **From the Chairperson's Desk**

"What began with slurping McDonald's milkshakes as a 17-year-old student... later became my calling—a determination to bring an iconic brand like McDonald's to India and weaving it deeply with Indian culture".

"Our average sales per store stood at ₹63 million and our overall sales increased by 5% YoY. We responded swiftly and proactively to the difficult business environment and external challenges, limiting same-store sales decline to a moderate 1.5%".

"I am pleased to announce that our digital sales have surged impressively by 15 percentage points, reaching 70% over the past two years. This achievement surpasses our Vision 2027 target of 65% to 70%".

"Over 99% of our inputs are locally sourced from 2,500+ Indian farmers, which ensures that we enable local communities to grow and prosper with us".

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## **Key Performance Indicators (KPIs)**

### **Operational:**

- **Store count:** 397 (FY23-24).
- **Employee base:** 10,314.

### **Financial:**

- **Gross revenues:** ₹23,918.8 mn.
- **Restaurant operating margin (%):** 21.8%.
- **Operating EBITDA:** ₹3,780.4 mn.
- **Operating EBITDA margin (%):** 15.8%.
- **Cash profit:** ₹2,328.3 mn.
- **ROCE (%):** 23.7%.

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## **Operating Context**

### **Current Consumption Trends:**

- Retail inflation has heightened consumer caution regarding discretionary spending, leading to a preference for cost-effective dining options.
- Our response: Introduced @ ₹149 Everyday McSaver meals.  
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- 50-60% New stores likely to be in small and emerging towns.

### **Hygiene and Safety Preference:**

- There is an increased preference for hygiene among customers. Efficiency and cleanliness are now expectations rather than trade-offs.
- Our response: 3 times a day Daily Product Safety Checklist (DPSC) conducted for food safety.

#### Prioritising Convenience:

- Online food delivery is expected to grow at a faster rate of 18% CAGR, contributing 20% to the overall food services market by 2030, up from the current 8%.
- Our response: 90%+ Orders delivered in less than 30 minutes.

### Management Discussion and Analysis

**Global economic overview:** In 2023, the world economy exhibited resilience, with the overall global economic output increasing by 3.2%. **Indian economic overview:** India stands as one of the world's fastest-growing large economies... In FY 23-24 alone, India's GDP grew by 8.2%.

**QSR Segment:** Within the Indian eating out market, QSRs reached ₹460 billion in 2023. Western Fast Food (WFF) accounted for 49% market share.

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#### Vision 2027 Strategic Levers:

- **Lever 01 - Meals strategy:** Achieve market leadership in core day parts through brand relevance led by menu innovation and marketing.
- **Lever 02 - Omnichannel strategy:** Integrate various channels and touchpoints into a 'One McDonald's' platform.
- **Lever 03 - Network expansion:** Reach 580-630 restaurants by 2027.
- **Lever 04 - Lead with performance:** Targeting superior business performance and operating efficiency.

### Financial Summary (Consolidated Financial Performance)

(All figures in ₹ millions for FY 23-24)

Particulars	FY 23-24	FY 22-23
Sales	23,918.1	22,781.8
Gross Profit	16,811.2	15,921.8

<b>Gross Profit Margin (%)</b>	70.3%	69.9%
<b>Payroll &amp; Benefits</b>	2,322.9	2,033.9
<b>Royalty</b>	1,164.2	1,038.4
<b>Operating EBITDA</b>	3,780.4	3,930.8
<b>PBT</b>	958.4	1,495.7
<b>PAT</b>	692.1	1,115.3
<b>Cash Profit After Tax</b>	2,328.3	2,543.2
<b>SSSG (%)</b>	-1.5%	36%

#### **Balance Sheet Highlights:**

- **Total Assets:** ₹22,857.89 mn.
- **Property, plant and equipment:** ₹7,701.79 mn.
- **Total Equity:** ₹5,882.63 mn.
- **Borrowings:** ₹2,390.29 mn.

#### **Supply Chain & Quality Assurance**

The company maintains a "closed-loop" supply chain with **100% traceability** of materials back to their farms.

- **Audit Rigor (Conducting Audits in 2023):**
  - 24 Supplier Workplace Accountability (SWA) audits.
  - 35 Supplier Quality Management System (SQMS) audits.
  - 6 Good Manufacturing Practices (GMP) audits.
- **Logistics Efficiency:**

- **98% On-time in-full (OTIF) delivery rate.**
- **99% Order fill rate.**
- Uses advanced demand planning software powered by **machine learning algorithms** to manage inventory.

## **Human Capital & Inclusivity**

- **Employee Demographics:**
  - **75% of restaurant employees** are 25 years or younger.
  - Inclusive workforce features **57 differently-abled** permanent employees.
- **Training & Performance:**
  - **43,000+ hours of training** provided to all employees in FY 23-24.
  - **90% of Restaurant Managers** started their careers with McDonald's as crew members.
  - Achieved a **96% score in the Crew Opinion Survey** and **92% in the Manager Opinion Survey**.

## **Community Impact**

- **Ronald McDonald House Charities (RMHC India):**
  - Impacted **over 35,000 lives** since inception.
  - The **Family Room** at Bai Jerbai Wadia Hospital for Children (Mumbai) was utilized **4,196 times** in FY 23-24 alone.
  - Distributed **75,000+ meals** in communities surrounding stores.

## **Governance Structure**

- **Board Composition:**
  - The Board comprises **9 members**, with more than **50% being Independent Directors**.
  - Average attendance rate at Board meetings was **90%**.
  - Average tenure of Board members is **7.8 years**.
- **Risk Management:**
  - Implemented an **Enterprise Risk Management (ERM)** process supported by monthly review meetings and business plans.
  - Dedicated forums for monitoring **Tax strategy**, **Cyber security**, and **Statutory compliance**.

Here are the details extracted from the report as requested:

## **Business Model**

**Westlife didn't adapt McDonald's to India; it built an Indian McDonald's.** A menu born from local tastes, a supply chain that supports Indian farmers, and a brand that belongs to Indian

consumers in every sense. This is how the Company leads - by delivering everyday joy at scale, while quietly building momentum that's meaningful, resilient, and ready for what's next.

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### **...an agile business model...**

1. **MULTI-CORE:** Burgers, Fries, Coffee, Wraps, Chicken
2. **MULTI-DAYPART:** Breakfast, Meals, Snacks
3. **MULTI-BRAND EXTENSIONS:** McCafé, Desserts, McBreakfast
4. **MULTI-CHANNEL:** Shakes, coolers and smoothies, On-the-Go, Dine-In, Take Away, Drive-Thru, Delivery

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### **...and strategic levers...**

- **Menu relevance and marketing:** Achieving market leadership in core day parts through brand relevance led by menu innovation and marketing
- **Omnichannel experience:** Integrating various channels and touchpoints into a 'One McDonald's' platform, leveraging digital as a key enabler to provide consumers a seamless experience
- **Network expansion:** Expanding footprint into underserved geographies and fortifying existing markets with renewed vigour
- **Lead with performance:** Targeting execution excellence in business performance and operating efficiency

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## **Our Presence**

### **Performance highlights**

- **47** New restaurants
- **100** Drive-Thrus
- **438** Store network across 69 cities
- **378** Experience-of-the-Future (EOTF) stores
- **418** McCafés

**Expanding access** Westlife continues to scale its footprint with a focused expansion strategy that enhances accessibility and deepens market presence. The Company is broadening its reach across metropolitan and beyond metro regions, while also strengthening proximity in high-demand zones.

**Expanding WFL's footprint** WFL's expansion strategy remains focused and future-forward. In FY 2024-25, the Company opened a record 47 new restaurants, taking the total to 438 outlets

across 69 cities, a clear signal of momentum and market conviction. The new stores are built for today's customer: ~95% feature McCafés, 99% are modern Experience of the Future (EOTF) formats, and ~23% include Drive-Thrus for added convenience. The Company continues to deepen its presence in southern India and high-potential emerging towns, where its brand promise and value-led offerings are resonating strongly.

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## Chairperson's Desk

### Q&A with the Chairperson

**Can you talk about the highlights of your journey in helming Westlife for India? How has the Indian consumer evolved through the years in your experience with Westlife? What are the core principles that have driven Westlife Foodworld's success in India?**

When I decided to bring the iconic McDonald's to India, I was perhaps the most unlikely hamburgerologist, if ever there were one! Coming from a strictly vegetarian family, a career selling burgers was, to many in my circle, an unprecedented choice in the early 1990s. But that first meeting with McDonald's sparked something within me, and just nine months later, I had transitioned from selling industrial lubricants to selling burgers. A journey full of surprises! From opening our first McDonald's restaurant in Bandra, Mumbai, in 1996 to now operating over four hundred and thirty outlets, our journey at Westlife Foodworld has been one of consistent growth, evolution, and enduring partnerships. We have built a strong local supply chain from scratch, pioneered menu localisation, and continuously reimagined the customer experience. Staying true to our 'glocalisation' philosophy, we embraced digital transformation early, with the McDelivery App in 2014, Experience of the Future format stores in 2015 and On the Go and Contactless Delivery in 2020.

This ambition took root during my time at the University of Southern California. I dreamt of bringing this iconic brand to India and embedding it into our culture. What many saw as an ambitious idea has become a thriving reality today, made possible by the support and dedication of our stakeholders and the Westlife Foodworld team.

Over the years, three principles have consistently guided our journey. First, the courage to step into an untested market and invest ahead of the curve. Second, the patience to build the right foundation, from developing a local potato ecosystem to nurturing long-term partnerships. And third, a commitment to continuous reinvention, ensuring we remain relevant to evolving consumer needs and preferences.

**FY 2024-25 presented a soft demand environment. How did Westlife Foodworld navigate these challenges, and what were the key outcomes in terms of sales and profitability?**

FY 2024-25 was a year that tested us, marked by muted consumer sentiment amid inflationary pressures and broader macroeconomic headwinds. Consequently, the QSR sector faced challenges across operating metrics, revenue growth and margins.

At Westlife, we remained focused on our long-term strategy and disciplined execution. We reinforced our value proposition by introducing new flavourful meals and driving cost efficiencies across operations. Menu relevance, affordability, and quality remained central to the consumer experience. As a result, we delivered 4.2% YoY growth in overall sales, with average sales per store coming in at ₹59.3 million. Consolidated sales stood at ₹24.9 billion, registering a solid 3-year CAGR of 16%. While same-store sales for the year declined by 2.9%, the second half of the year saw a return to growth, driven by higher guest counts and steady check sizes. Off-premises channels, contributing 42% to total sales, grew marginally ahead of on-premises, reaffirming the strength of our omni-channel presence. Profitability for the year was relatively subdued, but we continued to optimise our cost lines. The McDonald's platform offers us a distinct edge, enabling us to drive significant volumes across categories, dayparts and channels.

**As the Indian food services market evolves, what consumer trends are you seeing, and how is Westlife Foodworld adapting while staying true to its core?**

With customers prioritising convenience, digital-first experiences and heightened awareness around health, hygiene and global tastes, the Indian food services market is rapidly evolving. At Westlife, we stay agile in response to these shifts. Our omnichannel approach, spanning dine-in, takeaway, delivery and Drive-Thru, offers convenience on the customer's terms. With 100+ Drive-Thru, a robust delivery ecosystem and formats like McCafé and Experience of the Future stores, we cater to today's dynamic consumer.

Digital integration plays a key role, with personalised menus, self-order kiosks and app-based ordering enhancing speed, accuracy and the overall experience. Hygiene and safety remain top priorities, supported by stringent food safety protocols, crew training, and strong supplier partnerships, many lasting over twenty-five years.

While adapting to change is essential, the fundamentals of running great restaurants remain unchanged: consistency in quality, clean environments, fast service and well-trained teams. Our structured operations, from shift calibrations to data-driven dashboards, ensure we deliver a great experience to every guest.

**How does Westlife Foodworld define and deliver its value proposition, and how is this reflected in the customer experience?**

At Westlife, we believe value goes far beyond price. While affordability is key, our approach is more holistic, and experience driven. We aim to create moments of joy in every bite, wrapped in convenience, quality and affordability. We offer a complete experience: flavours that evoke nostalgia, inclusive pricing, speed that suits busy lifestyles, consistent quality and variety that makes every visit feel personal. These five pillars define how we deliver value every day.

We have consciously moved beyond the traditional notion of ‘value = low price.’ Instead, we focus on delivering a complete brand experience that connects with consumers, both emotionally and functionally.

**Store expansion has been a standout performance. Can you detail your progress and the strategic importance of this growth, keeping in mind the geographical spread of your consumption base?**

Absolutely, FY 2024-25 was a strong year for store expansion. We added 47 stores, taking our total to 438 across 69 cities. We hit major milestones by opening our 400th restaurant in Q1 and 100th Drive-Thru in Q4. This prudent network expansion has helped us reinforce our leadership in key geographies.

As part of Vision 2027, we aim to scale to 580 to 630 restaurants, with a sharper focus on high-potential smaller cities in West and South India. Beyond 2027, we are working toward a long-term ambition of building a 1,000+ restaurant network, driven by sustained demand, strong brand affinity and untapped market potential.

**Can you elaborate on your medium-term strategies under Vision 2027? And how do you see Westlife Foodworld evolving beyond 2027?**

Vision 2027 anchors our focus on four strategic levers: menu relevance and marketing, omnichannel experience, network expansion and performance leadership. These pillars help us remain agile, consumer-first and operationally resilient.

We are also laying the foundation for our next phase of Westlife Foodworld’s journey, which involves exploring exciting menu and platform innovations, data and AI, energy optimisation and delivering unmatched consumer experiences.

With disciplined execution and a forward-thinking strategy, we are building an organisation that is not only future-ready but also well-positioned to lead the QSR industry in the next decade and beyond.

**How did Westlife Foodworld advance its environmental, social and employee commitments in FY 2024-25?**

Sustainability is integral to our operations. In FY 2024-25, we sourced 100% of our palm oil, paper, coffee and fish sustainably and conserved ~40 million litres of water through efficient fixtures and rainwater harvesting. Over 92% of our restaurants now use energy management systems, with upgrades to energy-efficient appliances and relatively cleaner fuels like PNG and solar.

We also deepened our social impact. Our RMHC India Family Room was accessed 5,258 times, touching nearly 35,000 lives since its inception. Internally, we focused on inclusive hiring (around 40% of our workforce are women) and invested in upskilling and well-being initiatives.

We were ranked 33rd by the Great Place to Work Institute and featured among India's Top 10 Best Workplaces in Retail 2025.

**Long-term relationships have been a cornerstone of Westlife Foodworld's journey. What has enabled the Company to build and sustain enduring partnerships across stakeholders?**

I believe trust, consistency and a shared commitment to doing the right thing have nurtured our stakeholder relationships.

Our customers appreciate the reliability we offer. Many of our employees have been with us for over 20 years, finding purpose and progression here. Our suppliers have evolved with us, co-creating a responsive, quality-led supply chain.. And our three-decade partnership with McDonald's Corporation reflects deep cultural alignment. From separate veg/non-veg kitchens to creating unique local innovations, we have tailored global standards to suit Indian preferences. These enduring relationships have shaped our journey and will continue to drive it in the future.

**As you look ahead, what is your final message to shareholders, customers, and the Westlife Foodworld team?**

To our shareholders: thank you for your confidence and continued support. To our customers, you are the reason we do what we do. Your trust inspires us to keep raising the bar. And to our incredible team, your passion and commitment make this journey truly meaningful.

Going forward, I am excited about growing this McFamily of ours, as we continue to shape the QSR space in India in the exciting times ahead.

Best Wishes, **Amit Jatia** Chairperson

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## KPIs

### Operational

- **Store count:** 438 (FY24-25)
- **Employee base:** 11,144
- **Annualised average sales per store:** ₹59.3 mn
- **Digital-led sales:** ~75%
- **App downloads:** 41+ mn cumulative
- **Monthly Active Users (MAU):** 3+ mn

### Financial

- **Gross revenues (in mn):** ₹24,919.9 (FY24-25)  
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  - **Operating EBITDA (in mn):** ₹3,301.2 (FY24-25)  
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  - **Operating EBITDA margin (%):** 13.2 (FY24-25)  
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  - **Restaurant operating margin (%):** 19.4 (FY24-25)
  - **Cash profit (in mn):** ₹1,905.2
  - **ROCE (%):** 13.8 (FY24-25)  
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## Operating Context

**Evolving market trends** Navigating market transformation driven by evolving lifestyles, preferences and digitisation

**Changing consumption behaviours of maturing consumers** The Indian Quick Service Restaurant (QSR) industry is at a pivotal moment in 2025, experiencing rapid expansion towards a projected market size of \$43.5 billion by 2030. This growth is fuelled by increasing urbanisation, with the overall spending on dining out increasing, its share of private consumption is declining due to inflation, emphasising the need for value-driven offerings. Consumers in 2025 are more experimental and value-conscious, demanding global flavours, customised meals and convenience. Notably, homegrown brands are gaining prominence by combining quality with regional insights. Consumer behaviour is occasion-driven, and affordability is key. Regions beyond metro cities are emerging as significant growth markets, with consumers expecting high-quality service. The organised QSR market is projected to expand from 15% to 21% by 2030, while the unorganised sector is expected to contract from 52% to 41%.

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**Pivoting on digital delivery innovation** Growth of India's online food delivery market is majorly driven by increased digitalisation, smartphone usage and evolving lifestyles. This expansion is fuelled by convenience, diverse cuisines, and marketing efforts, with key drivers including easy browsing, seamless ordering, and delivery tracking. The pandemic accelerated a shift to delivery-first dining, fragmenting QSR sales and reshaping outlet revenue mixes. Rising fuel and labour costs have further increased delivery expenses, prompting a need for refined logistics. Growth is also propelled by mobile ordering, contactless payment, data analytics, business intelligence, and AI. Technological adoption is transforming operations, from digital menus and mobile apps to cloud kitchens, streamlining ordering, automating kitchens with ML-based inventory optimisation, and using AI to personalise recommendations and adapt to changing consumer preferences.

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**Convergence of India's love for both food and travel** The travel segment is projected to exhibit the strongest growth trajectory in the Indian food service market, with an expected CAGR of approximately 14% during 2024-2029. This expansion is primarily driven by the increasing presence of QSR outlets at airports, railway stations, highways, and other transportation hubs. This growth is particularly notable in airports, where major restaurant brands are establishing a strong presence to cater to growing passenger traffic. The segment's development is further supported by the government's ambitious infrastructure plans, including the expansion of roadways and the development of new airports and railway stations. Additionally, the increasing trend of road trips and domestic tourism is creating new opportunities for QSR establishments along highways and major travel routes.

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**Wellness and nutrition at the forefront** India's restaurant sector is experiencing a significant shift towards healthier meal options, with the market for healthy foods projected to expand at a CAGR of 10.0% between 2024 and 2030. This growth is driven by increasing consumer awareness of nutrition and wellness, amplified by social media and shifting lifestyles, resulting in demand for clean ingredients, balanced nutrition, and plant-forward menus.

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## Management Discussion & Analysis

**Global economic review** The global economy entered 2025 facing moderating inflation, uneven growth, and geopolitical tensions. While advanced economies like the U.S. demonstrated resilience with stable consumption and labour market strength, India stands out among major economies with a projected 6.5% growth for FY 2024-25, positioning itself to become the world's fourth-largest economy. Global GDP expanded by approximately 3.1% in 2024, as per IMF estimates, slightly below the long-term average. Inflation showed signs of easing across major economies, but remained elevated in some regions due to commodity price volatility, wage growth, and supply-side constraints. Consumer behaviour globally reflected a clear pivot towards affordability and value-driven choices, especially in emerging markets where disposable income growth remained moderate. India emerged as a standout performer, recording a robust 9.2% GDP growth in FY 2023-24, the highest among major economies, underpinned by strong domestic consumption, manufacturing, and services growth.

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**Global outlook** While short-term adjustments define the current moment, long-term global growth prospects signal deeper shifts. The IMF's five-year forecast pegs global GDP growth at around 3.2%, well below the 2000-19 average of 3.7%, reflecting longer-term structural headwinds, ageing populations, weak productivity, and subdued investment, especially in developing nations. While global trade is expected to grow modestly by 1.5% in 2025, the

broader trade environment remains challenged by policy unpredictability, rising economic nationalism, and residual supply chain bottlenecks.

**Global Quick Service Restaurant (QSR) industry outlook** The global QSR industry, valued at \$971 billion in 2024, is projected to grow from \$1,055 billion in 2025 to nearly \$1.93 trillion by 2032, exhibiting a CAGR of 9%. This growth is driven by inflated urbanisation, rising disposable income, and the growing preference for convenience among millennials and Gen Z.

Sustainability and nutrition-focused offerings have also transitioned from niche to mainstream demands, particularly among younger urban consumers. While the overall industry recovery remains strong, inflation has intensified competition, prompting brands to emphasise value through pricing strategies and loyalty programmes. The sector's resilience is further bolstered by the seamless integration of technologies like mobile-first platforms, AI enabled kitchen operations, and digital loyalty ecosystems that enhance speed, accuracy, and customer engagement.

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**India's economic overview** India's economic outlook for FY 2024-25 reflects a combination of resilience and moderation, with GDP growth easing from 9.2% in FY 2023-24 to an estimated 6.5% in FY 2024-25, reflecting normalisation to more sustainable levels of expansion rather than underlying weakness. Headline inflation moderated, although food inflation remained volatile. Short-term headwinds such as election-related uncertainty, uneven monsoons, and volatile external demand softened private investment and consumption. In response, the RBI executed a bold monetary easing: a 50 bp repo rate cut, a 100 bp reduction in CRR, and direct liquidity management, injecting approximately ₹ 2.5 lakh crore to support lending and revive activity. Complementing this were ongoing government-led reforms and stimulus measures. Flagship initiatives such as 'Make in India', the Production Linked Incentive (PLI) scheme, and targeted infrastructure spending continued to drive manufacturing, investment, and self-reliance. Significantly, comprehensive tax reforms, along with substantially increased budgetary allocations, have been pivotal in accelerating rural development and fuelling strong urban consumption. Rural consumption was better, driven by strong real wage growth, while urban demand is expected to rebound with tax reforms and softer inflation. Looking ahead, private investment, consumption revival, and continued policy support underpin India's status as the globe's fastest-growing major economy.

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**Indian food services and QSR sector** India's QSR landscape is undergoing a structural transformation. What was once a metro-centric, indulgence-driven space has evolved into an everyday lifestyle choice driven by a younger, digitally fluent population. Tier 2 and Tier 3 cities now offer compelling opportunities: lower real estate costs, rising disposable incomes, and robust demand, enabling faster breakeven and, at times, better store unit economics. The overall Indian Food Services market is projected to grow from \$85.2 billion in 2025 to \$139.8 billion by 2030, at a healthy CAGR of 10.4%. Within this, the QSR segment alone is expected to expand from \$27.8 billion to \$43.5 billion, growing at a CAGR of 9%. Consumer behaviour is

shifting from occasional indulgence to habitual convenience, with 94% of men and 96% of women consuming fast food at least once a week, and 70-75% preferring smaller, more frequent meals over traditional dining formats. The digital pivot has been foundational. Mobile apps, loyalty programmes, digital wallets, and third-party aggregators are now standard operating tools for QSRs. Meanwhile, backend efficiencies like kitchen analytics and automatic inventory systems are quietly reshaping profitability. As omnichannel engagement becomes critical, successful brands are seamlessly blending dine-in, takeaway, and delivery. This is also a market where localisation matters. With 38% of Indians identifying as vegetarian and regional preferences shaping dining choices, menu innovation and cultural relevance remain essential. At the same time, growing interest in nutrition conscious options and sustainability is pushing QSRs to adopt cleaner menus, recyclable packaging, and ethical sourcing.

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## Growth drivers

- **Urbanisation and rising eating-out frequency:** Consumers in urban India are dining out or ordering in more frequently, 7.9 times a month on average, up from 6.6 pre-pandemic. Increasing disposable incomes and time-constrained lifestyles are fuelling this shift.
- **Digital penetration and online food delivery:** The surge of online ordering via third-party aggregators has created a new customer base that values convenience. Digital payments, app-only deals, and loyalty programmes further accelerate consumer stickiness.
- **Nutrition-conscious dining:** A growing focus on wellness, rising lifestyle-related health concerns, and greater nutritional awareness are triggering a macro-level shift in consumer eating habits across India. Urban, affluent, and younger cohorts, especially millennials and Gen Z, are actively seeking more nutrition-focused, balanced meal options.
- **Prudent network expansion beyond metro cities:** India's economic momentum is increasingly being fuelled by regions beyond metropolitan cities. These markets are witnessing rapid urbanisation, improving infrastructure, and growing digital penetration, creating a large, untapped consumption base.
- **Technology and automation:** AI-driven customer personalisation, advanced kitchen systems, and digital kiosks are helping QSRs reduce costs, enhance efficiency, and personalise consumer journeys.
- **Premiumisation and experiential dining:** India's rising middle and upper-middle classes are driving demand for premium menu offerings and unique in-store experiences, such as breakfast-focused formats and chef-led QSR menus.
- **Glocalisation:** India's cultural and culinary diversity demands a nuanced approach. By blending global QSR formats with local flavours, brands can tap into deep-rooted regional preferences while offering aspirational global experiences.
- **Sustainability as a brand differentiator:** Younger consumers are rewarding brands that adopt eco-friendly packaging, reduce food waste, and prioritise ethical sourcing. Sustainability is shifting from a 'nice-to-have' to a competitive necessity.

**Company overview** As a leading force in India's rapidly expanding Quick Service Restaurant (QSR) landscape, Westlife Foodworld Limited (WFL) drives the McDonald's brand across West and South India. Through its fully owned subsidiary, Hardcastle Restaurants Pvt. Ltd. (HRPL), WFL holds the exclusive master franchise rights granted by McDonald's Corporation USA, delivering world-class dining experiences and growth in key markets.

**Business progress** FY 2024-25 saw a soft economic environment for the QSR industry due to tepid wage growth and higher inflation. Westlife Foodworld remained resilient with prudent network expansion and guest count driving initiatives. As a result, consolidated sales grew 4.2% YoY to 24.9 billion. Tapping into the Gen Z love for Korean culture, WFL launched a limited-edition Korean-inspired menu that is affordable, bold, and globally appealing. In addition, the Company's also introduced the Crispy Veggie as part of its global range of McCrispy burgers, which aligns with the evolving customer trends and preferences. WFL expanded its presence, opening a record 47 new restaurants, broadening the Company's reach. Digital innovation remained a growth engine, propelled by self-ordering kiosks and its robust mobile apps, which boast 41 million cumulative downloads and 3 million monthly active users. The Company's off-premise business sustained healthy traction, with the McDelivery app growth outpacing third-party operators, alongside the ongoing expansion of its 20-minutes delivery service following successful trials. A key development milestone was the opening of WFL's 100th Drive-Thru restaurant, significantly enhancing customer experience and reinforcing its competitive edge.

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**Business outlook** The past year has tested both the QSR industry and the broader discretionary spending landscape. The Indian food retail industry, while characterised by low barriers to entry, seldom achieves scaled profitability due to operational complexities and dynamic consumer preferences. Challenging economic periods often instigate market consolidation, concurrently enabling entities with strong brand equity, robust business models, and superior operational execution to solidify their foundations for future growth. The organised sector, particularly the Western fast-food category, is projected to achieve double-digit growth over the next five years, which presents a substantial opportunity for WFL, given its versatile business model that spans multiple dayparts, product categories, and channels. Looking ahead, WFL's focus is clear: Accelerate growth with a target of mid-to-high single-digit same-store sales growth with profitability and prudent network expansion to reach 580-630 restaurants by 2027.

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**Consolidated operating results** In FY 2024-25, WFL's total revenue, predominantly derived from operating restaurants, increased by 4.2% YoY, reaching 24,920 million. Gross Margin demonstrated stability at 70.1%, consistent with near-term projections. However, the Restaurant Operating Margin (ROM) declined to 19.4% from 21.8% in FY 2023-24, primarily attributable to adverse operating leverage and elevated royalty fees. Operating EBITDA decreased to 3,301.2 million, with the corresponding margin contracting to 13.2% from 15.8%, reflecting a significant YoY reduction from ₹3,780.4 million. Profit After Tax (PAT) witnessed a substantial decline to

121.6 million, largely influenced by strategic store expansion initiatives and increased interest expenses. Cash profit after tax was ₹1,905.2 million (7.6%), lower than ₹2,328.3 million (9.7%) in FY 2023-24.

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## 3–4 pages of Financial Summary

### Financial highlights

- **Sales:** 24,919.9 mn (FY24-25) vs 23,918.1 mn (FY23-24)
- **YoY Sales Growth %:** 4.2% (FY24-25)
- **Gross Profit:** 17,467.1 mn (70.1%)
- **Restaurant Operating Margin (ROM):** 4,826.0 mn (19.4%)
- **Op. EBITDA:** 3,301.2 mn (13.2%)
- **PAT:** 121.6 mn (0.5%)
- **Cash Profit After Tax:** 1,905.2 mn (7.6%)
- **SSSG (%):** (2.9%)
- **New stores opening:** 47

### Consolidated statement of profit and loss for the year ended March 31, 2025 (₹ in millions)

#### REVENUE FROM OPERATIONS

- Sale of products: 24,741.32
- Net gain on fair value changes: 10.35
- Other operating revenue: 160.25
- **Total Revenue from operations:** 24,911.92
- Other income: 244.74
- **Total income:** 25,156.66

#### EXPENSES

- Cost of materials consumed: 7,452.76
- Employee benefits expenses: 3,598.39
- Finance costs: 1,271.34
- Depreciation and amortisation expense: 2,041.04
- Other expenses: 10,662.68
- **Total expenses:** 25,026.21

**Profit before tax:** 130.45 **Total tax expense:** 8.98

**Profit for the year:** 121.47

**Consolidated balance sheet as at March 31, 2025 (₹ in millions) ASSETS** (1) Financial assets

- Cash and cash equivalents: 586.69
- Bank balance other than above: 2.75
- Trade receivables: 189.80
- Loans: 5.70
- Investments: 1,592.03
- Other financial assets: 705.57

**(2) Non-financial Assets**

- Inventories: 807.63
- Current tax assets (net): 30.50
- Deferred tax assets (net): 928.38
- Property, plant and equipment: 8,585.47
- Right-of-use assets: 11,077.77
- Capital work-in-progress: 255.16
- Goodwill: 465.97
- Other Intangible assets: 381.62
- Other non-financial assets: 464.00 **Total assets:** 26,079.04

**LIABILITIES AND EQUITY LIABILITIES** (1) Financial liabilities

- Trade payables: 2,324.75
- Borrowings (other than debt securities): 3,081.02
- Lease liabilities: 13,150.82
- Other financial liabilities: 957.43

**(2) Non-financial liabilities**

- Provisions: 147.11
- Other non-financial liabilities: 383.00

**(3) EQUITY**

- Equity share capital: 311.88
  - Other equity: 5,723.03 **Total equity:** 6,034.91
- TOTAL LIABILITIES AND EQUITY:** 26,079.04

**Consolidated statement of cash flows for the year ended March 31, 2025 (₹ in millions)**

- **NET CASH GENERATED FROM OPERATING ACTIVITIES (A):** 3,449.03
- **NET CASH USED IN INVESTING ACTIVITIES (B):** (2,209.26)
- **NET CASH FLOW USED IN FINANCING ACTIVITIES (C):** (794.23)
- **NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C):** 445.54

- Cash and cash equivalents at the beginning of the year: 141.15
- Cash and cash equivalents at the end of the year: 586.69

#### **Key performance indicators - Financial**

- **Gross revenues:** ₹24,919.9 mn
- **Operating EBITDA margin:** 13.2%
- **Restaurant operating margin:** 19.4%
- **Operating EBITDA:** ₹3,301.2 mn
- **Cash profit:** ₹1,905.2 mn
- **ROCE:** 13.8%