

# Equity Research Report

Academic Research Project - Not A Recommendation



Prepared By:  
Sheetal Singh Parmar

# Equity Research Report

## Devyani International Limited

### About the Company

Established in 1991, Devyani International Limited (DIL) is one of India's largest operators of chain quick-service restaurants (QSRs). DIL boasts a diverse portfolio of iconic global and successful in-house brands, with an extensive network of over 1700 restaurants as on January 31, 2024, across India, Nepal, Nigeria and Thailand. DIL is part of RJ Corp., a conglomerate that today is a powerhouse multinational with thriving businesses in beverages, fast-food restaurants, retail, ice-cream, dairy products, healthcare, and education. DIL is the largest franchisee for Yum Brands (KFC & Pizza Hut) in India and is the sole franchisee for Costa Coffee brand and cafes in India. DIL's home grown brands include Vaango, a popular destination for South-Indian vegetarian food, and The Food Street (DIL's food court) that serves multiple brands under one roof. DIL has a strong presence across Airports in India where it serves a variety of F&B offerings.

### Brief Overview

the achievements and unique offerings of various brands under Devyani International Limited (DIL). KFC, known for its expansion into new territories like the North East States and establishment of specially-abled and women-led stores, showcases its commitment to inclusivity and innovation. Pizza Hut emphasizes customer satisfaction and passion for delivering exceptional pizza experiences. Costa Coffee prides itself on handcrafting the perfect cup of coffee, with baristas trained to deliver quality consistently. Vaango, focused on South Indian vegetarian cuisine, welcomes guests with warmth and hospitality, reflecting its Tamil origin. Devyani International's operations span across multiple countries, managing YUM brands like KFC and Pizza Hut in Nepal and Nigeria, each tailored to local preferences and market dynamics.

### Key Highlights

- Devyani International is trading 1.67% higher at Rs 155.70 compared to its last closing price.
- Trading range: 157.30 & 153.05.
- Performance: -19.61% this year & 0.87% in the last 5 days.
- TTM P/E ratio: 201.80 vs sector P/E of 42.16.
- Analyst coverage: 18 analysts initiated coverage, with 5 strong buy, 7 buy, and 4 sell ratings.
- Net profit: Rs 9.62 Crores in the last quarter.
- Promoter holding: 62.74%, public holding: 37.26%.
- Mutual Fund holding: 2.27% as of 31 Dec 2023 (increased from last quarter).
- FII holding: 12.47% as of 31 Dec 2023 (decreased from last quarter).



BSE: 543330 NSE : DEVYANI

<b>Recommendation</b>	<b>XXX</b>
<b>Current MP</b>	<b>155.75</b>
<b>Target Price</b>	<b>XXX</b>

### Price Performance %

<b>NIFTY</b>	<b>22,494</b>
<b>52 Weeks H/L (INR)</b>	<b>228/134</b>
<b>Market Cap (INR Crs.)</b>	<b>18,781</b>
<b>Outstanding Shares (Crs.)</b>	<b>120</b>
<b>Dividend Yields (%)</b>	<b>0.00%</b>

### Stock Performance - 2023



### Price Performance %

	<b>6 Months</b>	<b>1 Year</b>	<b>5 Year</b>
<b>Absolute Return</b>	<b>-24.74%</b>	<b>4.36%</b>	<b>-</b>

<b>Particulars (In Cr.)</b>	<b>FY-23</b>	<b>FY-24E</b>	<b>FY-25E</b>
<b>Revenue</b>	<b>2997.72</b>	<b>2563.81</b>	<b>2794.27</b>
<b>YoY Change(%)</b>	<b>43.84%</b>	<b>-14.47%</b>	<b>8.99%</b>
<b>EBITDA</b>	<b>657.69</b>	<b>617.16</b>	<b>701.83</b>
<b>Margin (%)</b>	<b>21.94%</b>	<b>-6.16%</b>	<b>13.72%</b>
<b>Depreciation</b>	<b>278.76</b>	<b>303.33</b>	<b>330.92</b>
<b>EBIT</b>	<b>393.74</b>	<b>357.49</b>	<b>414.53</b>
<b>Margin (%)</b>	<b>55.57%</b>	<b>-9.21%</b>	<b>15.96%</b>
<b>PAT</b>	<b>-20.59</b>	<b>-23.07</b>	<b>-26.83</b>
<b>Margin (%)</b>	<b>-35.60%</b>	<b>12.04%</b>	<b>16.29%</b>

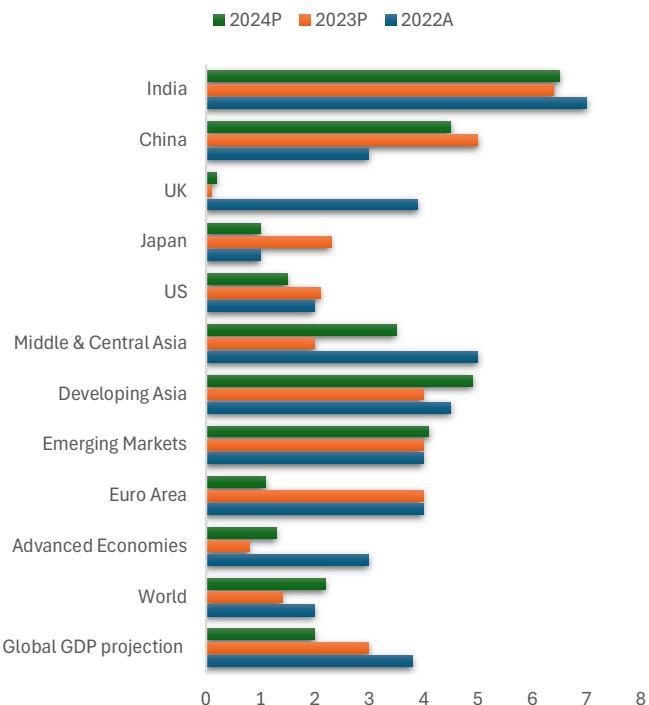
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### Global Economy

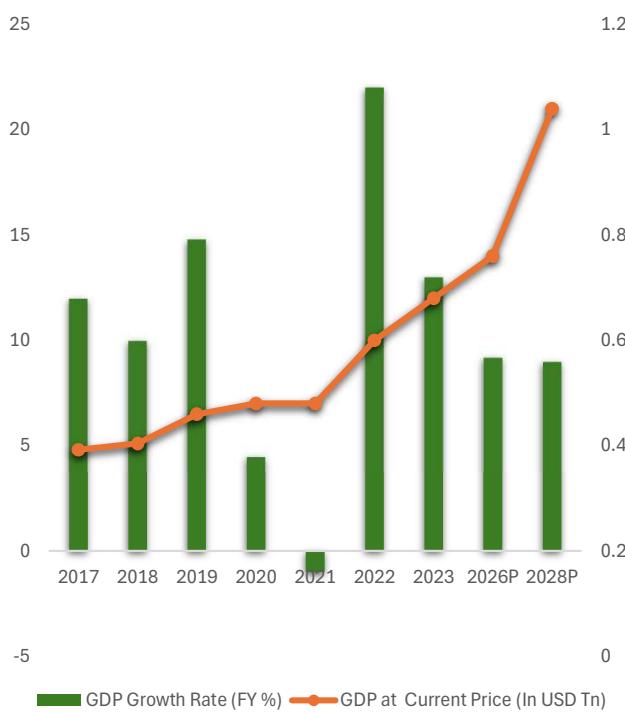
In recent times, the global economy has faced significant challenges, including the impact of events such as the Covid-19 pandemic and the Russian invasion of Ukraine. These events have led to disruptions in the global supply chain, increased food and energy prices, and higher living costs. Central banks worldwide have responded by tightening monetary policies to combat inflation. Consequently, Across the Globe, central banks were tightening monetary policies to fight inflation. The world seems to recover after these two events, but the Israel-Gaza conflict in the Middle-East has posed another threat of increasing fluctuations in crude oil prices. The continuous ongoing Russian-Ukraine war and Israel-Gaza conflict further escalating the war situation to other countries in the region can pose the threat of rising crude oil prices, trade disruption, and an increase in food and energy prices at the global level.

As a result of these events, developed economies grew at a slower pace of 2.7% in CY2022 as against 5.0% in CY2021. The Emerging Markets collectively posted a growth of 4.5% in CY2022 against 6.5% growth in CY2021. The Global GDP Growth was 3.5% in CY2022. According to the OECD, The Global Economy is projected to grow at 2.9% in CY2023 and weaken to 2.7% in CY2024. As inflation decreases further and the real Income strengthens. The world economy is projected to grow at 3% in CY2025 which will be largely contributed by fast-growing Asian economies.

### Exhibit 1: Global GDP Projection (%)



### Exhibit 2: India's Nominal GDP at Current Prices (IN USD Tn) and GDP Growth Rate (FY %)



### Indian Economy

India has ascended to the position of the world's fifth-largest economy by Nominal Gross Domestic Product (GDP) in the fiscal year of 2023, surpassing the United Kingdom in the process. Despite facing significant global challenges such as the Covid-19 Pandemic and the Russia-Ukraine conflict, India has showcased remarkable resilience, outstripping several major economies. During FY23, India achieved a growth rate of 7.2% at Constant Prices, surpassing the global average of 3.5%.

This economic growth can be primarily attributed to factors such as the demographic dividend, robust domestic demand, various economic reforms, advancements in manufacturing and infrastructure, as well as the progression in technology and digitalization. In the second quarter of the fiscal year 2024, India's GDP exhibited impressive growth, standing at 7.6% at Constant Prices. This growth was primarily propelled by a notable expansion of 13.9% in the manufacturing sector and a substantial 13.3% growth in the construction sector. However, there was a notable decline in Private Final Consumption Expenditure, which halved to 3.1% in Q2 from 6% in Q1, and the agricultural sector recorded a modest growth of 1.2%, marking its slowest expansion in over four years.

Despite these challenges, India's forward momentum remains strong. According to forecasts by the International Monetary Fund (IMF), India is anticipated to reach a GDP of approximately \$5.2 trillion by FY28, positioning it as the third-largest economy globally, surpassing both Germany and Japan.

**Consumer Price Index**

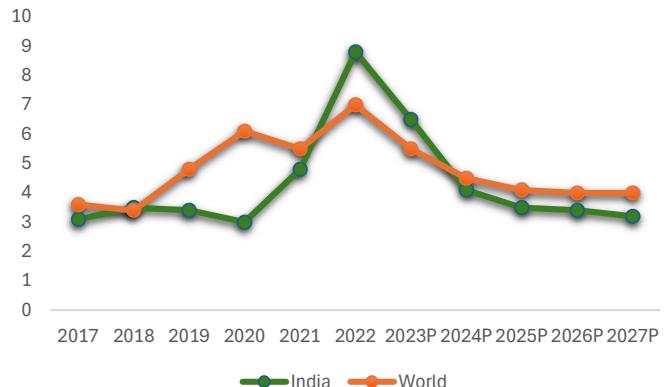
As a result of COVID-19 and geopolitical conflicts, such as those between Russia and Ukraine, the global prices of crude oil and other commodities increased. India, like the rest of the world, has faced serious issues, including high levels of inflation in recent years.

In addressing India's inflation situation, the RBI raised the repo rate by a total of 250 basis points, from 4% in April 2022 to 6.50% in April 2023. As a result of these changes, Retail inflation in the nation decreased from 6.44% in January 2023 to 4.25% in May 2023.

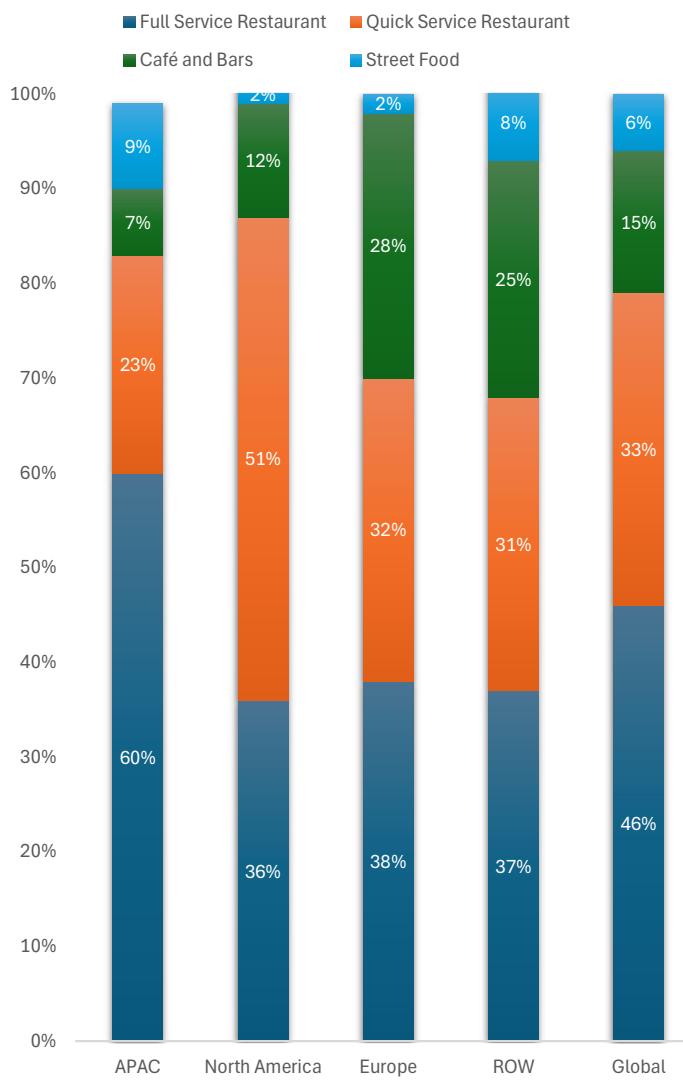
In Oct 2023, According to IMF WEO, India's CPI inflation is predicted to decline from 6.9% in FY 22 to 5.5% in FY 23 and then to 4.4% in FY 24.

In Nov23, Retail inflation based on the Consumer Price Index (CPI), increased to 5.55 per cent, exceeding from the RBI's medium-term target level of 4 per cent, driven by a surge in food and beverage inflation to 8.0 per cent in November.

**Exhibit 3: India's inflation rate (%) is compared to the world CPI Inflation Rate (CY)**



**Exhibit 4: Global Foodservice market by type of restaurant and geography - 2022 (Bil. USD)**

**Global Food Service Industry**

In recent years, COVID-19 shut down the global economies which has also impacted the global foodservice market. The global foodservice market showed a degrowth of -7.6% in 2020-2021. It rebounded in 2022 with the growth of +18.2%. It is estimated at USD2,803 Billion in 2022 and it is projected to be USD 3,494 Billion by 2027, showing a CAGR of 4.5% during 2022-2027. In terms of geography, the APAC region covers 41% of the global food service industry.

Additionally, tourism is a major factor driving the food service business in the region because of the culinary heritage of nations like Japan, Vietnam, Thailand, and South Korea, which draws both domestic and foreign travellers. In 2022-2027, The growth of the APAC Region is expected to be at a CAGR of 6.40% during 2022-2027, leading the global food service industry. Additionally, the demand for fast-food consumption and eating-out frequency is also rising. This has been led by the rising disposable income, dual-income households, the number of working women, and the convenience of fast food. There are varied formats of fast-food restaurants gaining popularity across emerging markets worldwide. The franchise model is most sought after, with companies like McDonald's, Domino's, and KFC taking advantage of this by opening quick-service restaurants. As the majority of the millennials and Gen-Z population leaning toward fast food consumption, their spending on quick-service restaurants is on the rise.

In 2022, according to Deloitte, in the global foodservice market, full-service restaurants have the highest market share at 46%, followed by QSR at 33%. Region-wise, the APAC region has the highest penetration, with 60% of Full-service restaurants, followed by Europe at 38%. In the APAC region, the high penetration of full-service restaurants is led by countries such as China (71%), Japan (45%), and South Korea (55%) in their respective food service market. In quick service restaurants, North America has the highest penetration at 51% which is led by countries such USA (51%), and Canada (52%) in their respective countries foodservice markets.

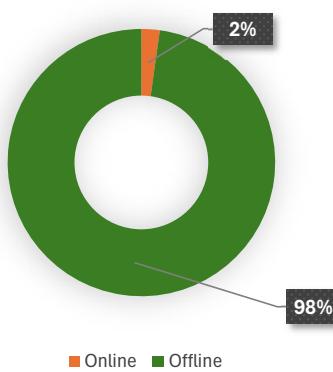
**Indian Food Service Industry**

In recent years, the Indian foodservice sector has experienced significant expansion, fueled by economic progress, rapid urbanization, and changes in consumer habits. In 2021, India's food service industry accounted for 2.1% of the country's GDP, a proportion comparable to that of the UK (2.7%) and the US (2.6%). According to Deloitte, China, the USA, and India contributed 30%, 22.4%, and 4% respectively to the global foodservice market in 2021, reflecting a correlation with GDP size.

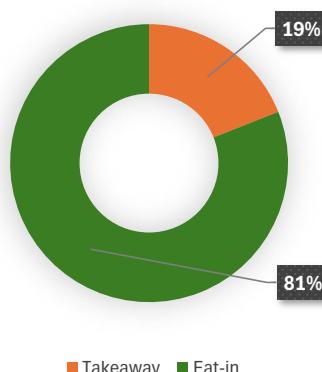
As India's GDP grows, its foodservice sector is expected to grow in tandem. Technopak estimates the Indian food service market to reach Rs 4400 billion in FY2023, with an anticipated CAGR of 18% until FY2025, reaching Rs 6211 billion. Notably, growth has been led by the organized sector, which is expanding at a faster rate compared to the unorganized sector. In FY2023, the unorganized sector held a market share of 51.60%, while the organized sector accounted for 48.40%. Projections suggest that by FY2025, the organized sector's market share will rise to 53.7%, surpassing the unorganized sector. This growth is driven by factors such as rising disposable income, increased preference for dining out, the popularity of online food delivery, and the expansion of quick-service restaurant chains.

**Market Drivers****Retail Mode: Online Vs Offline**

In the Indian food service industry, the choice between online and offline retail modes is pivotal. Online platforms offer unmatched convenience and reach, appealing to tech-savvy urban consumers seeking hassle-free ordering. However, traditional offline dining still holds sway for those valuing trust in food quality and the social experience of eating out. Balancing these modes effectively enables restaurants to tap into wider markets while preserving the charm of personal dining encounters. Despite the convenience, some consumers still prefer the offline mode due to concerns about food quality, trust issues with online platforms.

**Exhibit 7: Retail Mode: Online Vs Offline****Exhibit 5: Contribution of FSI to respective countries GDP - FY 2023****Exhibit 6: Indian Food Service Market by size (In Rs. Bn.)****Retail Type: Eat-in Vs Takeaway**

The dichotomy between eat-in and takeaway options reflects diverse consumer lifestyles and cultural norms. While dine-in experiences remain cherished for social gatherings and cultural traditions, takeaway options cater to busy urbanites craving convenience and health-conscious individuals seeking control over their meals. Regional variations further shape these preferences, highlighting the need for adaptable strategies that resonate with the nuanced tastes and habits of Indian consumers across diverse settings.

**Exhibit 8: Retail Mode: Takeaway Vs Eat-in**

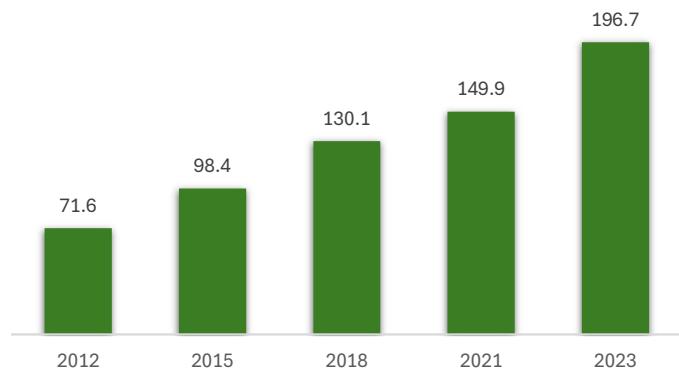
# Devyani International Limited



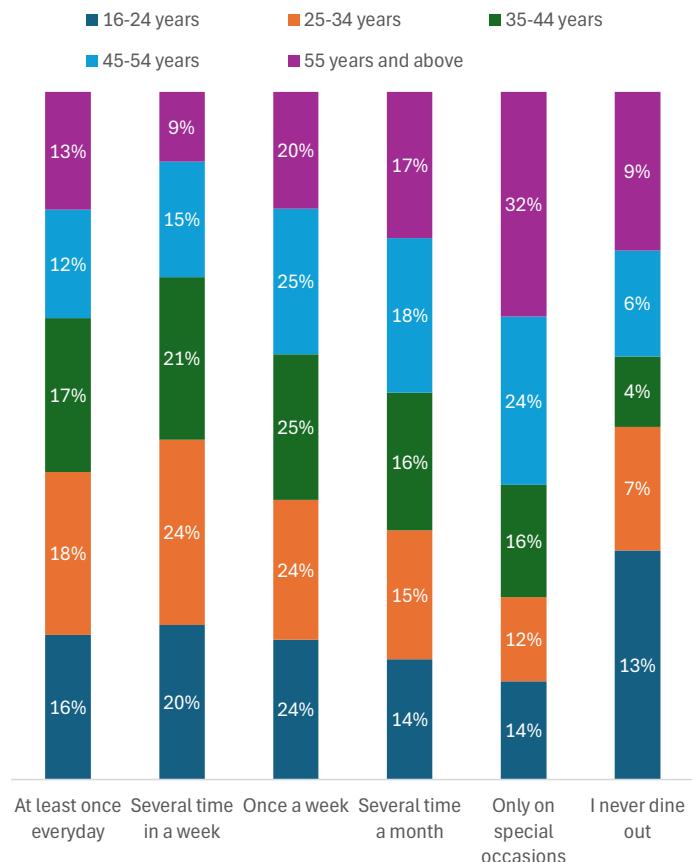
## Rising Per capita will boost discretionary spending

India is a consumption led economy and increase in per capita income will be incing on the cake. The per-capita income (at current prices) has grown at a CAGR of 9.6% from year 2012 to 2023. This rate of growth of per capital income is expected to give a major boose to discretionary spending whihc will ultimately expanf the food serviice market of India.

### Exhibit 9: Per Capita GDP (In Ths.)



### Exhibit 12: Frequency of dining out in india



## Digital Penetration

The improving broadband network penetration, devices and services affordability has caused an increase in data usage across the country and enabled Indians to embrace digital applications. The rise in digital penetration such as internet, smartphone have paved the frequency of online orders in food service.

### Exhibit 10: Number of Users (FY 2023)

Aadhar (Biometric digital identification system)	1.36 Billion
Telecom subscribers	1.25 Billion
Internet	692 Million
E-Commerce	644 Million
Smartphones	493 Million
UPI (Digital Payments)	300 Million
Food Delivery	268 Million

### Exhibit 11: Ordering in frequency per month

City	2014	2017	2020
Mega Metros	1	1.7	2.1
Mini Metros	0.9	1.4	1.9
Tier I & II	0.6	0.9	1.1

**The proliferation of shopping malls, especially in tier 2 and tier 3 cities, is significantly expanding the foodservice market by allocating more space to diverse F&B outlets.**

The proliferation of shopping malls has significantly bolstered the demand for food services, with specialized multi-branded food courts becoming integral to these establishments. Major mall developers like Lulu Group, DLF, and Phoenix Mills are spearheading this trend, particularly in tier 2 and tier 3 cities, by allocating more space to F&B companies, including quick-service restaurants, cafes, and bars.

Shopping malls have evolved into social hubs where people not only shop but also gather to enjoy meals and drinks with friends and family. This shift has contributed to increased foot traffic, longer dwell times, and higher consumer spending within malls. According to JLL, the allocation of F&B space in some shopping malls has surged to 25-30% in 2022, compared to 12-15% pre-Covid. For instance, DLF Avenue Mall in Delhi's Saket area has dedicated a significant portion of its leasing area to F&B brands, ranging from casual eateries to fine dining establishments and cafes. With the expansion of shopping malls in tier 2 and tier 3 cities and a growing focus on enhancing F&B offerings, the food service market is poised for further growth. With the expansion of malls in smaller cities and effort to enhance F&B offerings, the foodservice market is poised for continued expansion.

## Devyani International Limited

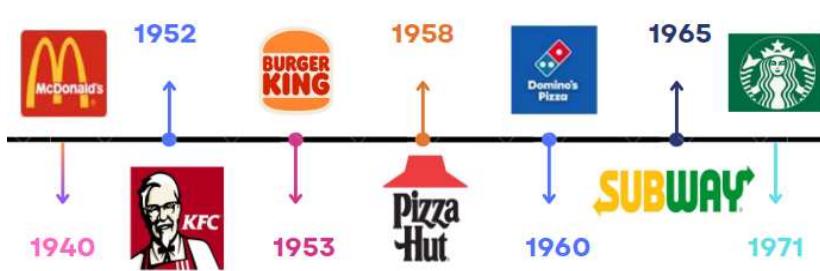


In 2022, Deloitte reported that the global Quick Service Restaurant (QSR) industry constitutes 33% of the global foodservice market, with North America standing out with a 51% share due to the fast-paced lifestyle driving demand for fast and convenient food options, particularly in the USA (51%) and Canada (52%).

The global foodservice market, valued at US\$ 283.8 Billion in 2022, is projected to grow at a CAGR of 5.8% from 2022 to 2030, with the QSR segment in the APAC region experiencing the fastest growth, primarily fueled by developing countries like India and China where the demand for convenient and easy pick-up options is rising amidst time-constrained schedules.

Furthermore, due to heightened awareness of hygiene post-Covid-19, international QSR brands and large chain organizations such as Domino's, McDonald's, and Pizza Hut have notably benefited from their standardized quality and services across locations, contributing to the expansion of the overall QSR market.

**Exhibit 13: Timeline of Top Global QSR Chains**



**Exhibit 14: Store Count**

Store in 2023	India	Global
Domino's Pizza	1888	20197
Mcdonald's	512	40250
KFC	852	41000
Burger King	404	18700
Pizza Hut	820	19866
Subway	579	35592
Starbuck	390	38038

### India's QSR Industry

The Indian Quick Service Restaurant (QSR) sector is projected to reach Rs 851 billion by 2025, experiencing a robust growth rate of 22% from its estimated value of Rs 411 billion in 2022. Euromonitor's 2021 analysis indicates that the QSR segment accounts for 9.55% of India's foodservice market, with chained QSRs contributing 5.4% and standalone QSRs contributing 4.2%.

This growth is fueled by increasing disposable incomes and changing lifestyles, particularly in tier-2 and tier-3 cities, where consumers are increasingly opting for convenient and hygienic dining experiences offered by QSRs.

**Exhibit 15: India's Total QSR Market size (In Rs. Bn.)**



## Academic Research Project - Not A Recommendation

# Devyani International Limited



Exhibit 16: Global Brand agreement with company

Company	Business Model	Licenced in India
Domino's Pizza	Master Franchise	Jubilant Foodwork
Mcdonald's	Master Franchise	Westlife Foodworld
KFC	Master Franchise	Devyani Inter. Ltd
Burger King	Master Franchise	Restaurant Brand Asia
Pizza Hut	Master Franchise	Devyani Inter. Ltd
Costa Coffee	Micro Franchise	Devyani Inter. Ltd
Subway	Micro Franchise	Eversub India Pvt. Ltd.

Exhibit 18: Share of QSR in respective Foodservice Market

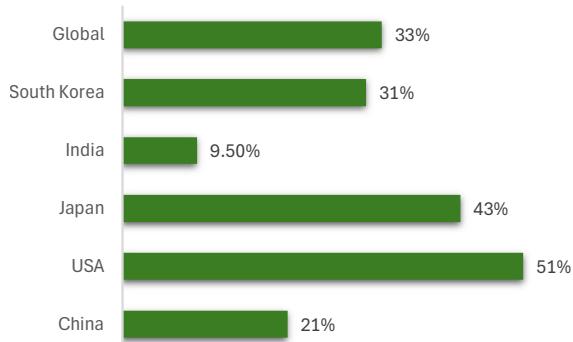


Exhibit 17: Share of Cuisines in QSR Chain in India - 2023

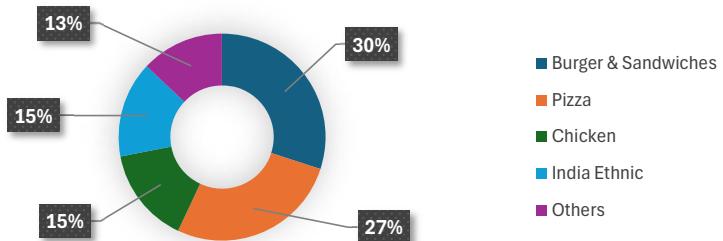


Exhibit 19: Market share by Revenue

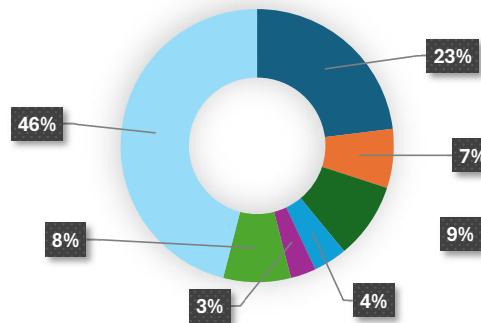
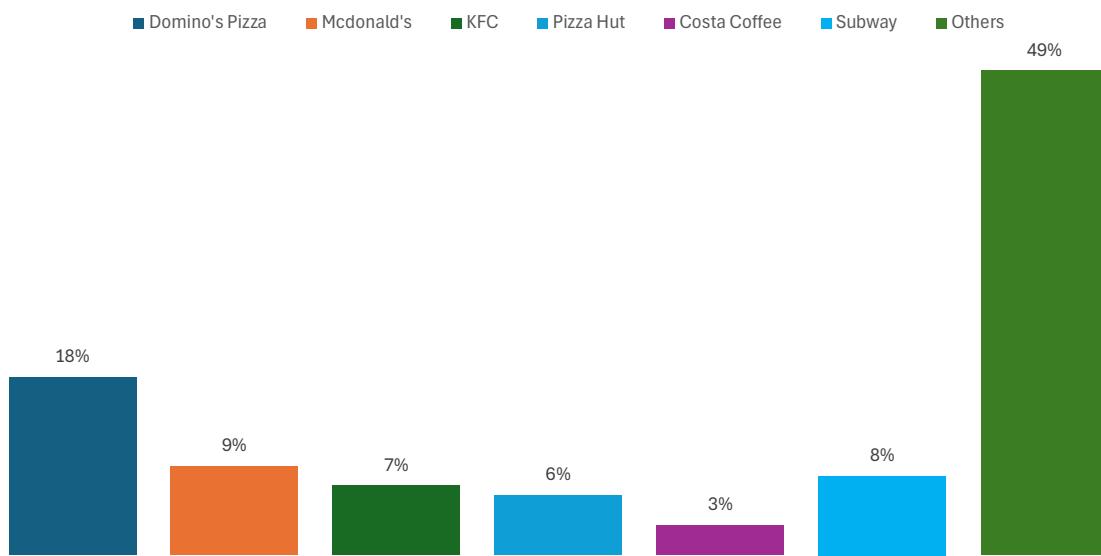
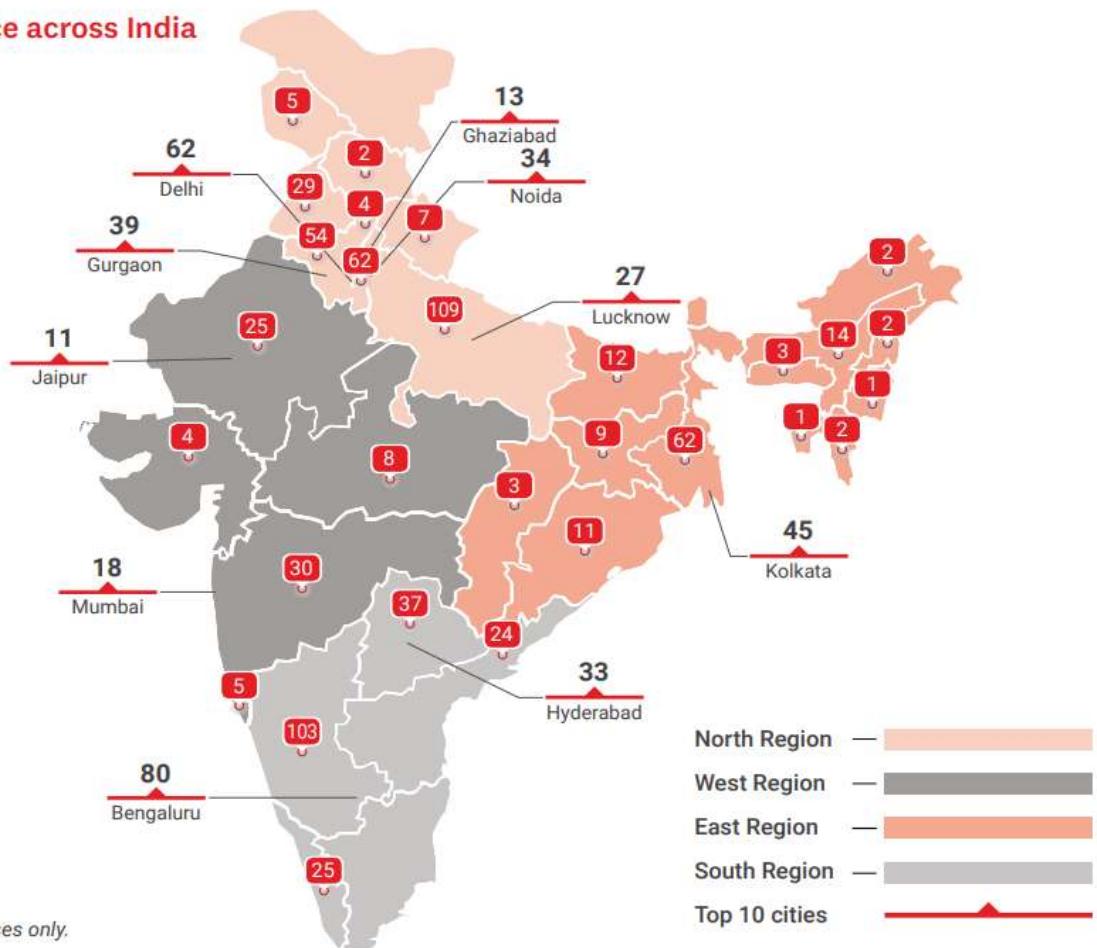


Exhibit 20: Market Share by Outlet Count of Key brands in Chain QSR Market - 2023



**Regional Presence**

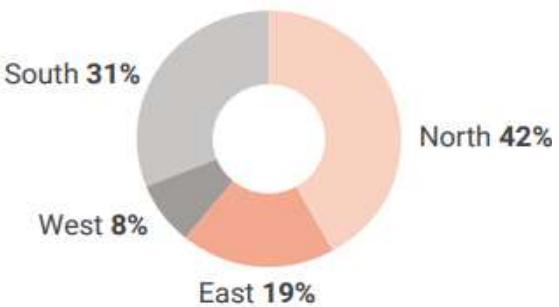
**Store Presence across India**



**Cluster-based Spread**



**Region-wise Presence**



# Devyani International Limited



## Company Profile

Established in 1991, Devyani International Limited (DIL) is one of India's largest operators of chain quick-service restaurants (QSRs).

DIL boasts a diverse portfolio of iconic global and successful in-house brands, with an extensive network of over 1735 restaurants as on December 31, 2023, across India, Nepal, Nigeria and Thailand. DIL is part of RJ Corp., a conglomerate that today is a powerhouse multinational with thriving businesses in beverages, fast-food restaurants, retail, ice-cream, dairy products, healthcare, and education.

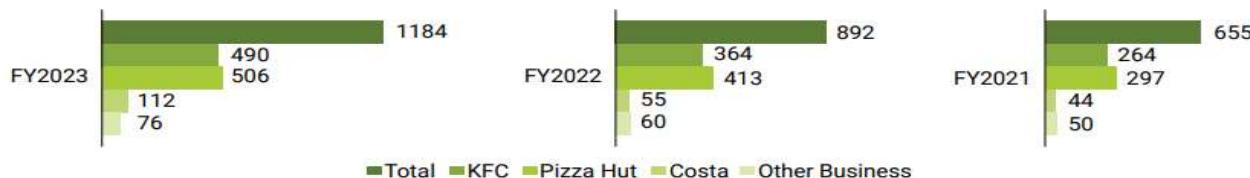
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## Exhibit 21: Key Brands and Verticals

Vertical	India				International
	QSR	QSR	Coffee	QSR	
Brands					 Nepal & Nigeria
Stores*	490	506	112	76	59

\*Number of stores as of March 31, 2023

### Total Number of Stores in India



## Exhibit 22: International Business



**Presence of Devyani International Limited in India**

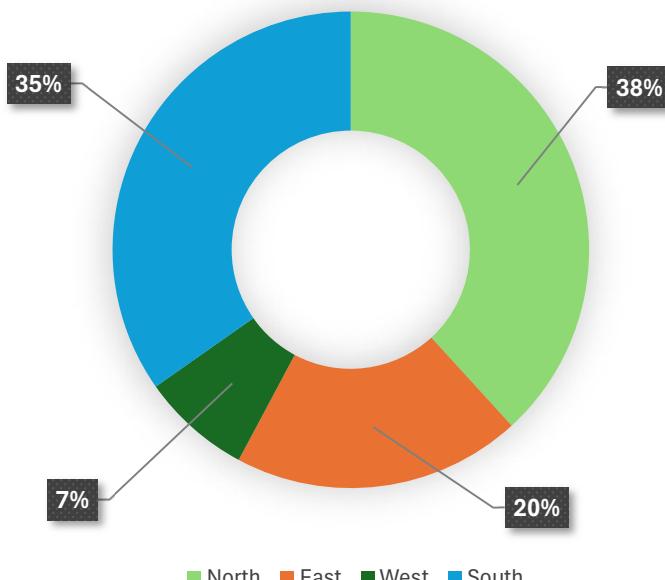
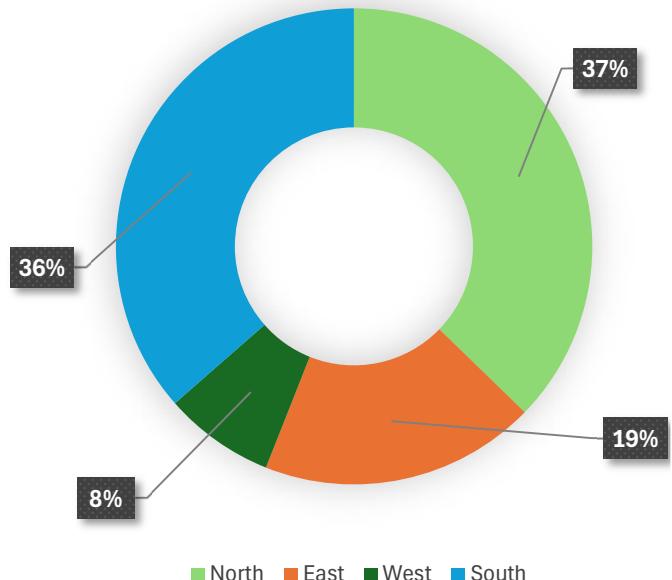
Core Brand Stores	March 31, 2022	March 31, 2023
Delhi NCR	153	202
Bengaluru	106	132
Kolkata	52	61
Hyderabad	60	79
Other Metro Cities	36	51
Total Metros	407	525
Total Non-Metros	425	583

Core Brand Stores (%)	March 31, 2022	March 31, 2023
% In Metro	49%	47%
% In Non-Metros	51%	53%

Core Brand Stores (City wise)	March 31, 2022	March 31, 2023
Total Cities	204	242
Total Store Count	832	1108

**Regional Split****Exhibit 23: March 31, 2022****Exhibit 24: March 31, 2023**

**Devyani International Limited****Management Analysis - Board of Directors****RAVI KANT JAIPURIA Promoter & Non-Executive Chairman**

He's the Chairman with 40+ years in food, beverages, and dairy across South Asia and Africa. He completed his education at Delhi Public School, New Delhi. Known for entrepreneurship, he won PepsiCo's International Bottler of the Year '97 and the Distinguished Entrepreneurship Award at PHD Chamber Annual Awards 2018.

**VARUN JAIPURIA - Promoter & Non-Executive Director**

He is the Promoter and Non-Executive Director of the Company. He attended Millfield School, Somerset, England and degree course in international business from the Regent's University, London. He has 14 years of experience in the soft drinks industry. He is a Harvard Alumni and had attended Program for Leadership Development (PLD), 2018-2019 batch from Harvard Business School, Boston.

**VIRAG JOSHI - Whole-time Director (President & CEO)**

Virag Joshi is the Whole-time Director (President & Chief Executive Officer) of our Company. He holds diploma course in Hotel Management and Catering from State Institute of Hotel Management and Catering, Lucknow, Uttar Pradesh. He has been a key strategist in expansion of Pizza Hut, KFC, Costa Coffee outlets from a small base of five restaurants in 2002 to 600 plus outlets in last 19 years.

**RAJ GANDHI - Non-Executive Director**

He is a qualified Chartered Accountant of 1980 batch. He also did management program with Harvard Business School. Out of his total 42 years of experience, 30 years of experience is with the RJ Corp Group. He is instrumental in formulating company's strategy towards diversification, expansion, mergers and acquisitions, capex planning including capital/fund raising. He enjoys longstanding relationship with institutional investors and lenders.

**MANISH DAWAR - Whole time Director and CFO**

Manish Dawar is the Whole-time Director and Chief Financial Officer of the Company. He holds a bachelor's degree in commerce with Honours from the Panjab University, Chandigarh and is a Chartered Accountant and a member of the Institute of Company Secretaries of India. He has wide experience in various industry domains and across various geographies in the world. He has worked in various corporate setups including Reebok India, Reckitt Benckiser, Vedanta, DEN Networks Limited and Vodafone India

**RASHMI DHARIWAL - Independent Director**

She holds a bachelor's degree in Arts from the University of Delhi and is a practicing advocate at the Calcutta High Court since 1978. She is also the trustee of a non-profit organization called Prayath which provides education to underprivileged children. She has also worked in several leading firms in India including Khaitan & Co, Calcutta and Delhi, Mulla & Mulla, Mumbai, and also in the Philippines.

**DINESH HARIHARAN - CEO**

Dinesh Hariharan, a dynamic leader, and collaborative team player, brings over 25 years of diversified experience across hospitality sectors, including QSR, Food Retail, Café chains, and Entertainment. His expertise lies in conceptualizing, developing, and rapidly scaling businesses across various geographies. In his current role as Vaango's CEO, Dinesh leads strategic vision, operational excellence.

**VIJAY GOGATE - CEO**

Vijay Gogate is a dynamic, result-oriented, and transformational business leader with a proven track record of turning around regions, brands, and businesses in the Consumer Lifestyle Fashion Retail space, and now, even in the F&B Industry. As the CEO of Pizza Hut India at Devyani International, Vijay is poised to lead the pizza brand into the next chapter of its successful journey.

**SREEJIT NAIR - CEO**

Sreejit comes with a wealth of experience in incubating and growing brands at an early startup stage in the Food & Beverages Industry. In his current role as the CEO of Costa Coffee at Devyani International, Sreejit is tasked with building the foundation for rapid expansion. In addition to his leadership and experience in executing growth strategies, he brings in the startup mindset to DIL.

**AARTI MARWAHA - CHRO**

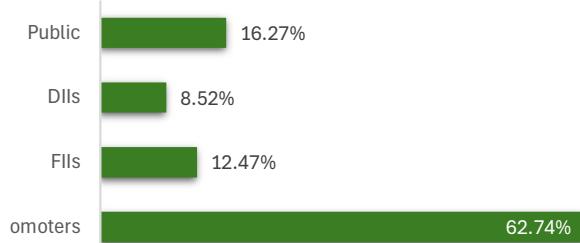
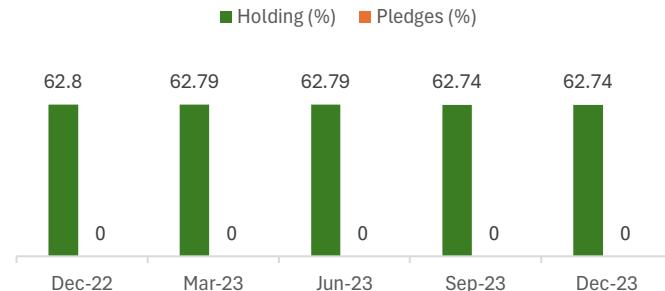
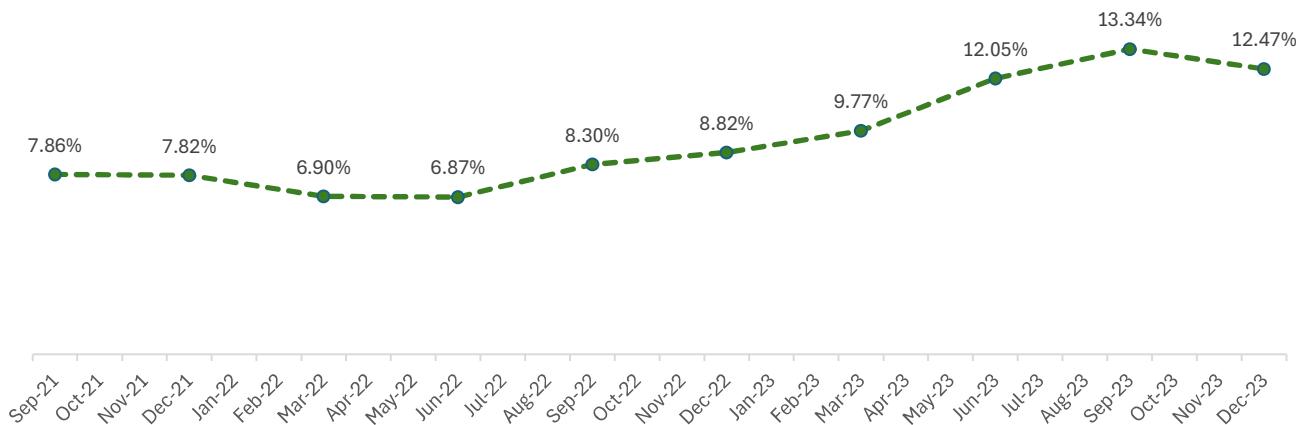
Aarti Marwaha, CHRO at Devyani International Ltd., brings over two decades of HR expertise, honored by former President APJ Abdul Kalam. She excels in talent management, strategic initiatives, and organizational transformation. With experience spanning diverse industries, including Retail/QSR and stints at Religare Enterprises Ltd. and Reliance Telecommunication, she's known for leadership acumen and commitment to excellence in HR.



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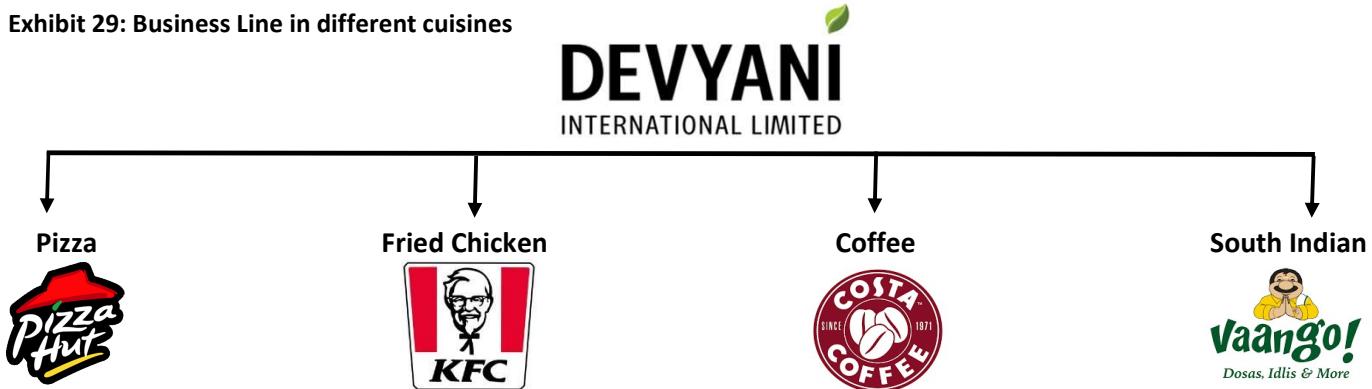
**Exhibit 25: Shareholding Pattern (Quaterly)**

Particulars	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
<b>Promoters</b>	62.91%	62.91%	62.80%	62.80%	62.80%	62.80%	62.78%	62.76%	62.74%	62.74%
<b>FII</b>	7.86%	7.82%	6.90%	6.87%	8.30%	8.82%	9.77%	12.05%	13.34%	12.47%
<b>DII</b>	4.82%	4.92%	5.75%	6.26%	7.47%	7.88%	9.66%	8.74%	8.23%	8.52%
<b>Public</b>	24.40%	24.35%	24.55%	24.07%	21.43%	20.51%	17.78%	16.46%	15.69%	16.27%

**Exhibit 25: Shareholding Patter as of Dec. 2023****Exhibit 26: Quaterly Promoter holding Vs Pledging****Exhibit 27: FII Trend****Exhibit 28: DII Trend**

## Devyani International Limited

Exhibit 29: Business Line in different cuisines

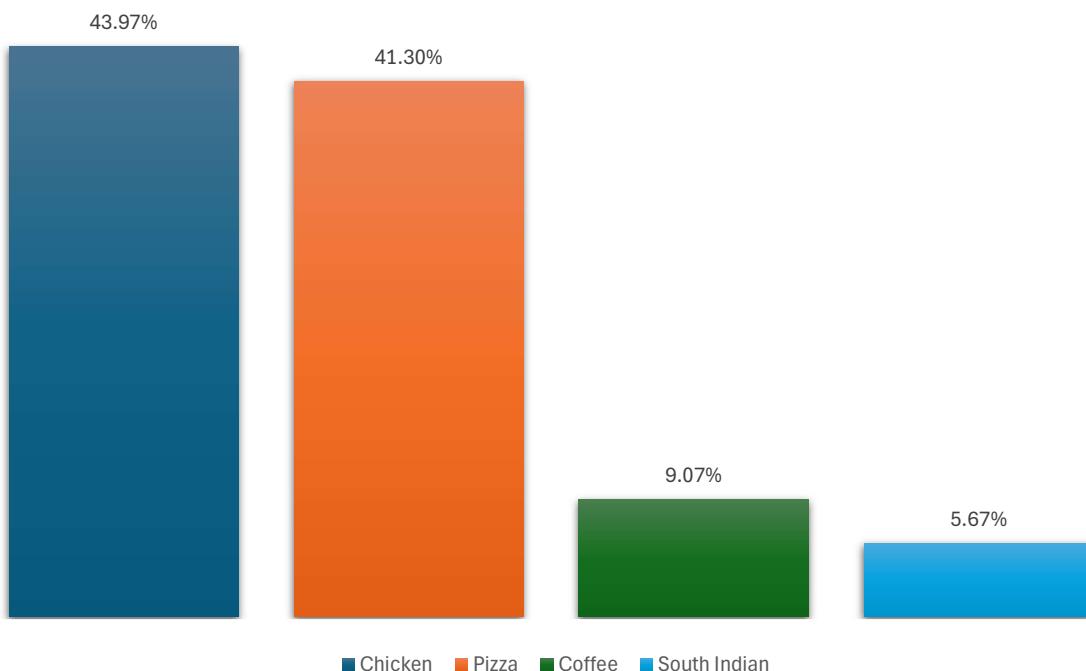


### Leading QSR player in Fried Chicken Cuisine

The fried chicken brand was the fastest-growing QSR chain in India between FY19 and FY23, according to a QSR (quick service restaurant) study by Elara Capital last month. While KFC posted a revenue CAGR (compound annual growth rate) of 30 percent to top the chart, it was followed by Burger King, Pizza Hut, McDonald's and Domino's (see box). Not only in terms of clocking the highest store CAGR, but in expansion too, KFC pipped McDonald's, Burger King and Pizza Hut. Look at the numbers. In FY19, KFC had 292 stores in India. In the same fiscal, Westlife—McDonald's master franchise partner in west and south India—had 296 stores; Burger King had 187, and Pizza Hut had 421. Four fiscals later, in FY23, KFC leapfrogged to 831 stores.

The real aggressive push, though, started in FY21. From 264 outlets, Devyani International took the KFC store count to 590 in the nine months during FY24. Revenues too grew briskly: From Rs644.3 crore to Rs1,549.6 crore. During the same period, Sapphire too marched at a furious pace. Stores jumped from 203 to 406, and revenues soared from Rs589.7 crore to Rs1,287.2 crore. In December last year, KFC took its store count to 1,000.

Exhibit 30: Share of Cuisines in Quick Service Restaurant (QSR) Chain in India - 2023



**Price Comparison**

Indian consumers are more price-sensitive and seek the best value for their money compared to consumers in other nations. The pricing of products is crucial for gaining market share in any QSR market. It has been observed that KFC and Pizza Hut caters a wide market segment as compared to any other brand through its pricing. The lowest price in chicken segment for KFC is Rs. 99 which makes it affordable and market leading QSR chain. As per Devyani International Limited management, offering chicken at this price point is crucial in the inflationary environment. It has helped the company retain existing customers, attract new ones, and ultimately drive order-led growth.

**Exhibit 30: Price Comparison**

Brand Name	Minimum		Maximum	
	Veg	Non-Veg	Veg	Non-Veg
Pizza Hut	79	109	599	679
Domino's	49	109	698	848
Oven Story	177	240	692	797
Smokin' Joe's	130	205	495	650
Chicago Pizza	139	139	1099	1199
Pizza Express	239	299	825	855

**Localization**

Localization in the pizza market is the key to capturing Indian customers. The brands in the QSR industry identified this and they are experimenting with toppings to offer localized products. The competition in the sector is becoming intense as companies are continuously experimenting with toppings. Brands such as Smoking & La-Pino's even went one step ahead to cater to niche dietary preferences by offering exclusive Jain pizza to the Jain community. It has been observed that embracing indigenous Indian flavors is becoming a winning strategy for gaining market share. The hierarchy of brands in terms of their localized menu share unfolds as follows: Domino's, Oven Story, Pizza-Hut, Smokin'Joe's, La-pino's.

**Exhibit 31: Indian Menu Offerings**

Brand Name	%	Menu
Pizza Hut	35.3	Veggie Tandoori Panner, Malai Chicken Tikka, Chicken Tikka Supreme
Domino's	37.5	Paneer Makhani, Achari Do Pyaza, Kadhai Paneer, Keema Do Pyaza
Oven Story	36.8	Tandoori Paneer Tikka, Maharaja Veg, Peri Paneer, Chicken Tikka
Smokin' Joe's	35.2	Jain Special, Tandoori Paneer, Jain Chat Special, Butter Chicken, Chicken 65
Chicago Pizza	26.5	Paneer Lababdar, Reshmi Paneer, Chicken Lahori, Butter Chicken
Pizza Express	0	-

### Chicken - A potential fast growing market

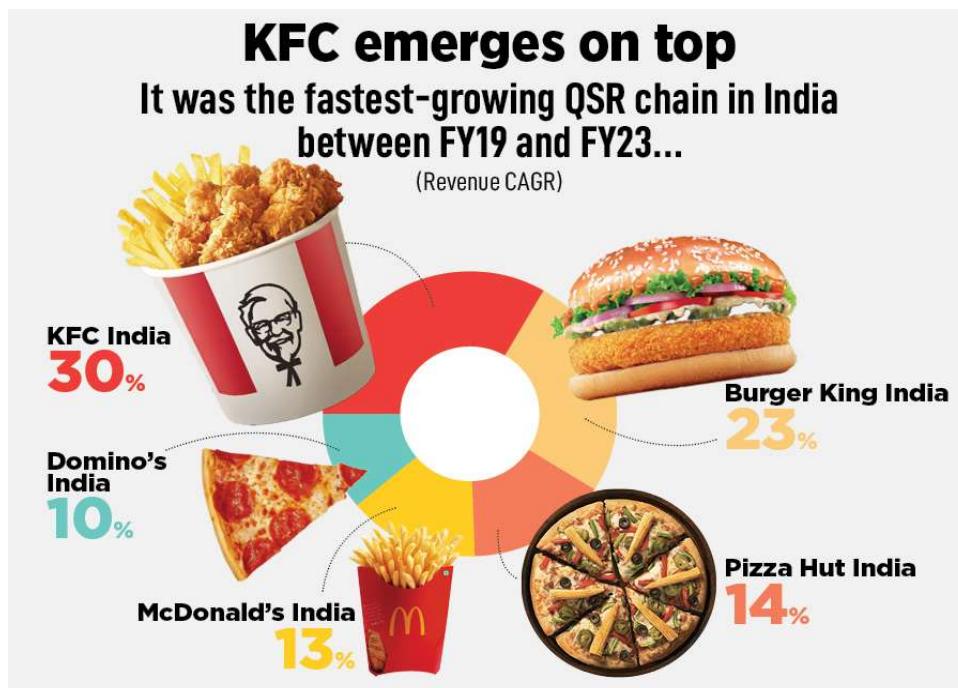
The global chicken flavor market was valued at USD 676.8 million in 2022. It is estimated to reach USD 1,232.4 million by 2031, growing at a CAGR of 5.1% during the forecast period (2023–2031). According to the report titled 'Chicken Flavor Market by form and end user: Global Opportunity Analysis and Industry Forecast, 2019-2026,' the chicken flavor market size was valued at \$629.26 million in 2018, and is projected to reach \$1.00 billion by 2026, growing at a CAGR of 5.60% from 2019 to 2026. In 2018, North America accounted for nearly 41.8% share of the chicken flavor market.

### Fried & tested: KFC tops the pecking order

The fried chicken brand was the fastest-growing QSR chain in India between FY19 and FY23, according to a QSR (quick service restaurant) study by Elara Capital last month. While KFC posted a revenue CAGR (compound annual growth rate) of 30 percent to top the chart, it was followed by Burger King, Pizza Hut, McDonald's and Domino's (see box). Not only in terms of clocking the highest store CAGR, but in expansion too, KFC pipped McDonald's, Burger King and Pizza Hut. Look at the numbers. In FY19, KFC had 292 stores in India. In the same fiscal, Westlife—McDonald's master franchise partner in west and south India—had 296 stores; Burger King had 187, and Pizza Hut had 421. Four fiscals later, in FY23, KFC leapfrogged to 831 stores.

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### Exhibit 32



**...with the highest store CAGR**

KFC	29.9%
Restaurant Brands Asia (Burger King)	20.2%
Pizza Hut	17.1%
Domino's	10.3%
Westlife (McDonald's)	4.8%

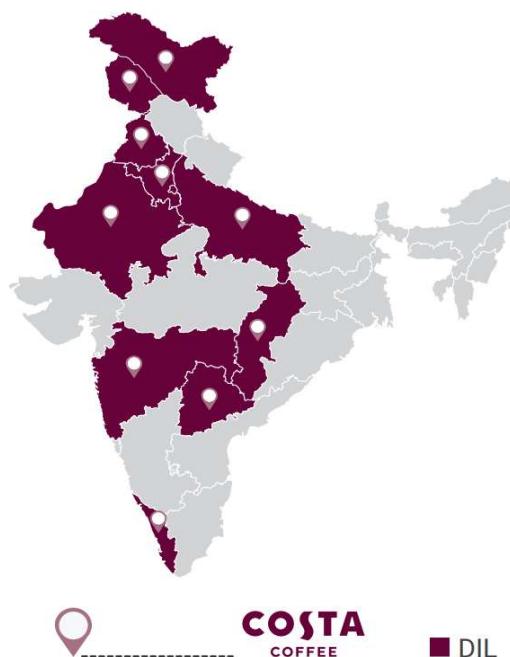
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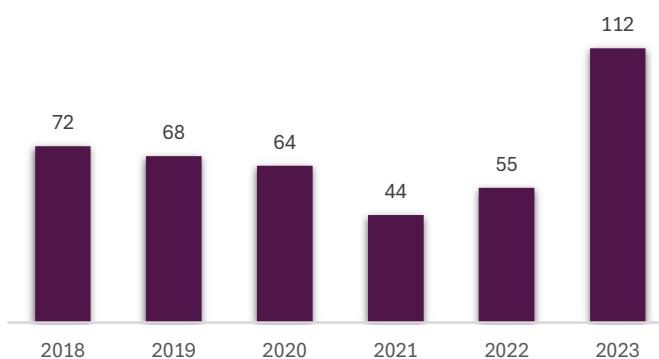
#### Expanding the footprints - Costa Coffee

Achieving a remarkable milestone of crossing ` 1,000 million in revenue and opening its 100th store, our Costa Coffee business has delivered a year of strong performance. Empowered by this success, we are now ready to elevate our brand presence and expand its accessibility. Costa Coffee business achieved rapid expansion, opening 57 new stores this year. With a total of 112 stores, we have surpassed the 100-store milestone. Currently, our focus is on metro and tier 1 cities, where the coffee culture is thriving.

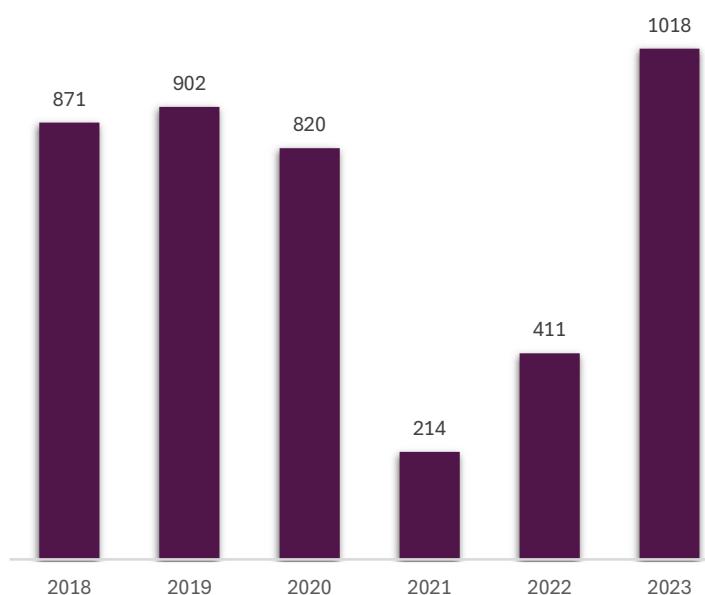
#### Exhibit 34: Presence of Costa Coffee



#### Exhibit 33: Expansion of Costa Coffee stores



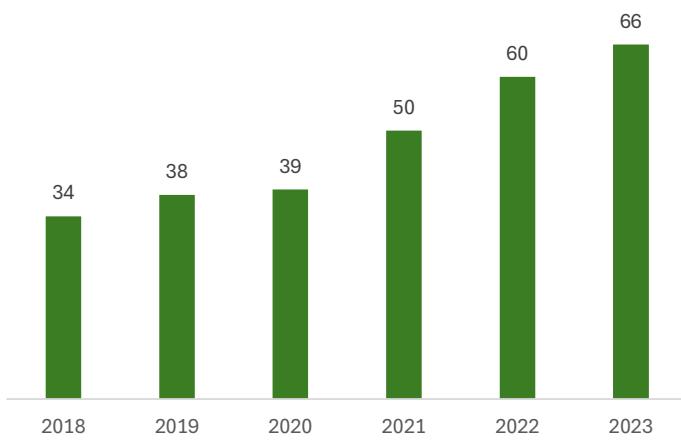
#### Exhibit 35: Costa Coffee Revenue (In Ml.)



#### Homegrown Brand : Vaango & The Street Food

Vaango and The Food Street, our in house brands, have been successfully incubated. With a deep understanding of what works for these brands, we are ready to steadily grow them and make them a sizeable category in the foreseeable future. Vaango caters to South Indian vegetarian food enthusiasts, while The Food Street operates as a multi-brand food court concept. Typically, Vaango and The Food Street outlets are located within larger food courts in malls and airports. Notably, Vaango achieved a significant milestone by reaching 50 stores during the year. Overall, 16 stores were added for our other brands' business, taking their total store presence to 76 as of March 31, 2023.

#### Exhibit 36: Expansion of Vaango stores



**Exhibit 37: Consolidated Profit and Loss - Devyani International Limited**

Particulars (In Million)	Q3'FY23	Q1'FY24	Q2'FY24	Q3'FY24	FY23	9M FY24
Revenue from Operations	7,906	8,466	8,195	8,431	29,977	25,092
Other Income	81	68	66	46	326	180
<b>Total Income</b>	<b>7,987</b>	<b>8,535</b>	<b>8,260</b>	<b>8,477</b>	<b>30,303</b>	<b>25,272</b>
Raw Material Cost	2,424	2,468	2,393	2,478	8,986	7,339
<b>Gross Profit</b>	<b>5,482</b>	<b>5,998</b>	<b>5,802</b>	<b>5,954</b>	<b>20,991</b>	<b>17,753</b>
<i>Gross Margin</i>	69.30%	70.80%	70.80%	70.60%	70%	70.80%
Employee Benefits Expense	860	1,118	1,109	1,176	3,452	3,404
Other Expenses	2,883	3,146	3,105	3,314	10,988	9,565
<b>Total Expenses</b>	<b>3,743</b>	<b>4,264</b>	<b>4,214</b>	<b>4,491</b>	<b>14,440</b>	<b>12,968</b>
<b>EBITDA</b>	<b>1,739</b>	<b>1,734</b>	<b>1,588</b>	<b>1,463</b>	<b>6,551</b>	<b>4,785</b>
<i>EBITDA Margin</i>	22%	20.50%	19.40%	17.40%	21.90%	19.10%
Finance Costs	378	404	417	482	15	1,303
Depreciation & Amortization Expense	706	796	863	930	2,788	2,589
Impairment	0	0	43	0	-5	46
Exceptional (Gain/Loss)	88	473	140	0	200	613
<b>Profit before Tax (PBT)</b>	<b>648</b>	<b>130</b>	<b>190</b>	<b>97</b>	<b>2,419</b>	<b>417</b>
Tax Expense	-62	146	-168	46	-206	24
<b>Profit after Tax (PAT)</b>	<b>710</b>	<b>-16</b>	<b>358</b>	<b>51</b>	<b>2,625</b>	<b>393</b>

**Exhibit 38: Consolidated Annual Snapshot - Devyani International Limited**

Particulars (In Million)	31-Mar-17	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23
<b>Revenue</b>	<b>1,047.50</b>	<b>1,110.61</b>	<b>1,310.60</b>	<b>1,516.39</b>	<b>1,134.84</b>	<b>2,084.01</b>	<b>2,997.72</b>
<i>YoY Change (%)</i>	3.47%	6.02%	18.01%	15.70%	-25.16%	83.64%	43.84%
COGS	608.18	621.69	724.08	849.18	616.17	1,038.73	1,548.31
<i>COGS % Sales</i>	58.06%	55.98%	55.25%	56.00%	54.30%	49.84%	51.65%
<b>Gross Profit</b>	<b>439.32</b>	<b>488.92</b>	<b>586.52</b>	<b>667.21</b>	<b>518.67</b>	<b>1,045.28</b>	<b>1,449.41</b>
<i>Gross Margin</i>	41.94%	44.02%	44.75%	44.00%	45.70%	50.16%	48.35%
Selling & General Expenses	400.15	393.24	382.00	447.54	321.54	569.26	791.72
<i>S&amp;G % Sales</i>	38.20%	35.41%	29.15%	29.51%	28.33%	27.32%	26.41%
<b>EBITDA</b>	<b>39.17</b>	<b>95.68</b>	<b>204.52</b>	<b>219.67</b>	<b>197.13</b>	<b>476.02</b>	<b>657.69</b>
<i>EBITDA Margins</i>	3.74%	8.62%	15.61%	14.49%	17.37%	22.84%	21.94%
Interest	88.21	33.64	136.98	160.95	151.26	128.73	149.33
<i>Interest % Sales</i>	8.42%	3.03%	10.45%	10.61%	13.33%	6.18%	4.98%
Depreciation	137.25	55.06	202.83	223.31	229.45	221.33	278.76
<i>Depreciation % Sales</i>	13.10%	4.96%	15.48%	14.73%	20.22%	10.62%	9.30%
<b>Earnings Before Tax (EBT)</b>	<b>-186.29</b>	<b>6.98</b>	<b>-135.29</b>	<b>-164.59</b>	<b>-183.58</b>	<b>125.96</b>	<b>229.60</b>
<i>EBT % Sales</i>	-17.78%	0.63%	-10.32%	-10.85%	-16.18%	6.04%	7.66%
Tax	1.39	-0.84	1.3	1.84	-1.06	-31.97	-20.59
<i>Effective Tax Rate</i>	-0.75%	-12.03%	-0.96%	-1.12%	0.58%	-25.38%	-8.97%
<b>Net Profit (After tax)</b>	<b>-187.68</b>	<b>7.82</b>	<b>-136.59</b>	<b>-166.43</b>	<b>-182.52</b>	<b>157.93</b>	<b>250.19</b>

**Conference Call Highlights - Q3 & 9M FY24****1. Acquisition of Restaurants Development Co. Ltd. (RD) in Thailand**

- Devyani International successfully completed the acquisition of RD, a franchise partner of KFC in Thailand.
- The acquisition added 283 KFC stores as of December 31st and 274 stores as of September 30th to DIL's portfolio.
- Total store count increased to 1,452 as of December 31st, with 1,735 stores post-acquisition, positioning DIL as a major player in the QSR sector.

**2. Financial Performance Highlights**

- Consolidated revenue for Quarter 3 FY24 was Rs. 843 crore, with a 6.6% year-on-year growth.
- DIL India witnessed a growth of 9.2% during the same period.
- Cumulative revenue for the nine months of FY24 was Rs. 2,509 crore, with an 11.9% growth over the previous year.
- Initiatives like optimizing menu pricing and enhancing operational efficiency were implemented to navigate challenges and ensure stable performance.

**3. Store Expansion and Growth Strategy**

- DIL opened 94 net new stores in Quarter 3 FY24, totaling 1,371 stores across four brands.
- Expansion efforts focused on maintaining a presence in over 250 cities in India.
- Ambitious store addition strategy aims to reach 2,000 stores by 2026, with confidence in achieving this milestone by the end of 2024.

**4. Brand Performance and Margin Analysis**

- KFC added 50 new stores in India during Quarter 3 FY24, with revenue growth of 14.1% year-on-year.
- Pizza Hut added 30 new stores, experiencing a decline in revenue but implementing strategies to improve performance.
- Margin performance varied across brands, influenced by factors such as average daily sales (ADS) and operational efficiencies.

**5. Geopolitical Impact and Currency Fluctuations**

- Geopolitical events and currency fluctuations, particularly in Nigeria, impacted business performance and margins.
- Weak consumer sentiment and cautious spending affected QSR sector, necessitating adjustments in operational strategies.
- Nigerian currency devaluation and ongoing economic challenges reflected in financial results, with impacts on revenue and margins.

**6. Funding and Financial Management**

- Acquisition funding involved investment from DIL and Temasek, with local debt sourced from banks in India.
- Gearing ratio remained comfortable despite the Thailand acquisition, emphasizing prudent financial management.
- Long-term focus on creating shareholder value through strategic investments and growth initiatives.

**7. Currency Impact and Corporate Cost**

- The Nigerian Naira experienced significant devaluation, impacting corporate costs.
- Without further currency fluctuations, the impact on corporate costs is expected to stabilize.
- If the currency remains stable, corporate costs will revert to original levels.

**8. Thailand Growth Potential**

- Market study indicates the potential to double KFC store count in Thailand over 7-8 years.
- Outside home consumption in Thailand is significant, presenting growth opportunities.
- Gradual consumer up-trending to premium brands like KFC expected over time.

**9. International Expansion Strategy**

- The focus remains on India, with no change in growth aspirations.
- Thailand acquisition seen as an addition to India's position, with no immediate plans for further international expansion.
- Any future opportunities will be evaluated based on strategic fit and potential synergies.

**10. Financial Sustainability of International Operations**

- Thailand expansion expected to be self-funded from cash flows generated.
- Nigeria and Nepal operations historically self-funding, with short-term funding needs due to currency devaluation.
- Future international expansion plans contingent on self-sustainability or minimal funding requirements.

**11. Pizza Hut Strategy and Market Dynamics**

- Market competition and macroeconomic factors impacting Pizza Hut's performance.
- Focus on innovation and value propositions to drive footfall and market share growth.
- Caution in expanding Pizza Hut due to market conditions, adjusting store opening targets accordingly.

**12. KFC Performance and Consumer Behavior**

- Long-term brand building required for sustained consumer response.
- Macro factors impacting consumer sentiment, reflected in transactions and average ticket size.

**13. Expansion Plans for FY25**

- Targeting 250-300 store openings for FY25 across KFC, Pizza Hut, and Costa Coffee.
- Adjustments to rollout plan based on demand and market conditions, subject to quarterly review.

**Anaylsis of Company Performance over a period of time - Devyani International Limited**

DIL began their relationship with Yum in 1997, when they commenced operations of their first Pizza Hut store in Jaipur. They have subsequently continued to expand their operations with both KFC and Pizza Hut franchises. In FY05, they also became a franchisee of the Costa Coffee brand in India. Over the years, they have built a healthy restaurant network for KFC, Pizza Hut and Costa Coffee, also referred to as their Core Brands, in India. Maintaining a steady pace in portfolio expansion, in FY11 they launched their own brand Vaango – a QSR restaurant chain delivering authentic South Indian food.

Today, 24 years after they set off the starting block, they have traversed a great distance. As of March 31, 2021, DIL operate 297 Pizza Hut stores and 264 KFC stores across India. They also operate a chain of 44 Costa Coffee stores. Cumulatively, DIL have 655 stores across all brands in India and are present in 26 states and 3 union territories across 155 cities as of March 31, 2021. DIL defined store expansion and development process is focused on high potential locations across towns and cities, airports, high street locations, malls, food courts, hospitals, business hubs and transit areas.

Devyani International Limited reported earnings results for the second quarter and six months ended September 30, 2023. For the second quarter, the company reported sales was INR 8,194.71 million compared to INR 7,474.25 million a year ago. Revenue was INR 8,260.48 million compared to INR 7,519.36 million a year ago. Net income was INR 333.52 million compared to INR 587.62 million a year ago. Basic earnings per share from continuing operations was INR 0.28 compared to INR 0.49 a year ago. Diluted earnings per share from continuing operations was INR 0.28 compared to INR 0.49 a year ago. For the six months, sales was INR 16,661.05 million compared to INR 14,521.48 million a year ago. Revenue was INR 16,795.06 million compared to INR 14,656.6 million a year ago. Net income was INR 451.1 million compared to INR 1,326.1 million a year ago. Basic earnings per share from continuing operations was INR 0.37 compared to INR 1.1 a year ago. Diluted earnings per share from continuing operations was INR 0.37 compared to INR 1.1 a year ago.

**Q2 - Weak SSSG and Declined Margins**

DIL's revenue grew by 9.6% y-o-y to Rs. 819.5 crore aided by store addition while average daily sales of key brands remained muted y-o-y. Revenue came in lower than our and average street expectation of Rs. 871-872 crore. KFC, Pizza Hut and Costa revenues grew by 14.9%, 1.5% and 57.4% y-o-y, respectively. The company opened 68 stores in Q2 taking total count to 1,358 stores. Softening of input costs aided in 61 bps y-o-y gross margin expansion to 70.8%, while EBITDA margin fell by 277 bps y-o-y to 19.4%, due to lower operating leverage. EBITDA margin missed ours and the average street's expectation of 20.6-20.9%. Contribution from KFC stood at 19.4% (versus 21.5% in Q2FY2023) and for Pizza Hut stood at 7.7% (against 17% in Q2FY2023). EBITDA declined by 4.1% y-o-y to Rs. 58.8 crore, while higher interest and depreciation costs led to 29.2% y-o-y decline in adjusted PAT to Rs. 46.2 crore, in line with our and street average expectation of Rs. 47-48 crore. Exceptional items includes impairment of goodwill in relation to one of the company's subsidiary (Rs. 14 crore). After considering the exceptional items, reported PAT declined by 37% y-o-y to Rs. 358 crore. In H1FY2024, revenue grew by 14.7% y-o-y to Rs. 1,666 crore, EBITDA margins fell by 277 bps y-o-y to 19.9% and adjusted PAT declined by 43.1% y-o-y to Rs. 79.6 crore.

**Key Positives**

- Costa's SSSG came at 8.5%; revenues grew by 57.4% y-o-y.
- DIL opened 115 stores in H1; maintained guidance of opening 275-300 stores FY2024.
- Gross margin of KFC and Pizza Hut improved by 110 bps and 120 bps, respectively.

**Key Negatives**

- Pizza Hut's SSSG declined by 10.4%; KFC's SSSG fell by 3.9%.
- EBITDA margin fell by 277 bps y-o-y to 19.4%, due to lower operating leverage.
- KFC and Pizza Hut witnessed a sharp decline in brand contribution from 21.5% and 17% in Q2FY2023 to 19.4% and 7.7% in Q2FY2024.
- International business' revenue declined by 25.6% y-o-y to Rs. 41.6 crore, hit by currency devaluation in Nigeria.

**Management Commentary**

The management is optimistic about recovery in Q3 aided by festive demand and higher demand due to the World Cup. ADS across brands is expected to improve in couple of quarters as stores mature and with stabilisation of macro issues.

### Financial Overview

In the backdrop of a challenging macro environment that affected consumer sentiment and demand in FY2023, DIL has delivered an encouraging performance across all key operational and financial metrics.

- In FY2023, DIL achieved its highest-ever store openings, adding 305 net new stores across markets. This, coupled with the strength of DIL's diverse brands, resulted in a robust year-on-year revenue growth of 44% to 29,977 million, compared to ` 20,840 million in the previous year.
- Gross profits saw a 41% year-on-year increase to 20,992 million, as opposed to ` 14,842 million in FY2022. The profitability of individual stores also benefited from higher sales and ongoing cost-saving initiatives.
- Brand contribution margin, an important performance indicator, 18.7% in FY2023 compared to 19.9% in FY2022. contributed to a record-breaking pre-IndAS EBITDA of ` 4,348 million, with margins to 14.5% from 14.4% the previous year.

### Revenue Analysis

Healthy Revenue from operations came in at ` 29,977 million despite a dynamic & challenging macro environment.

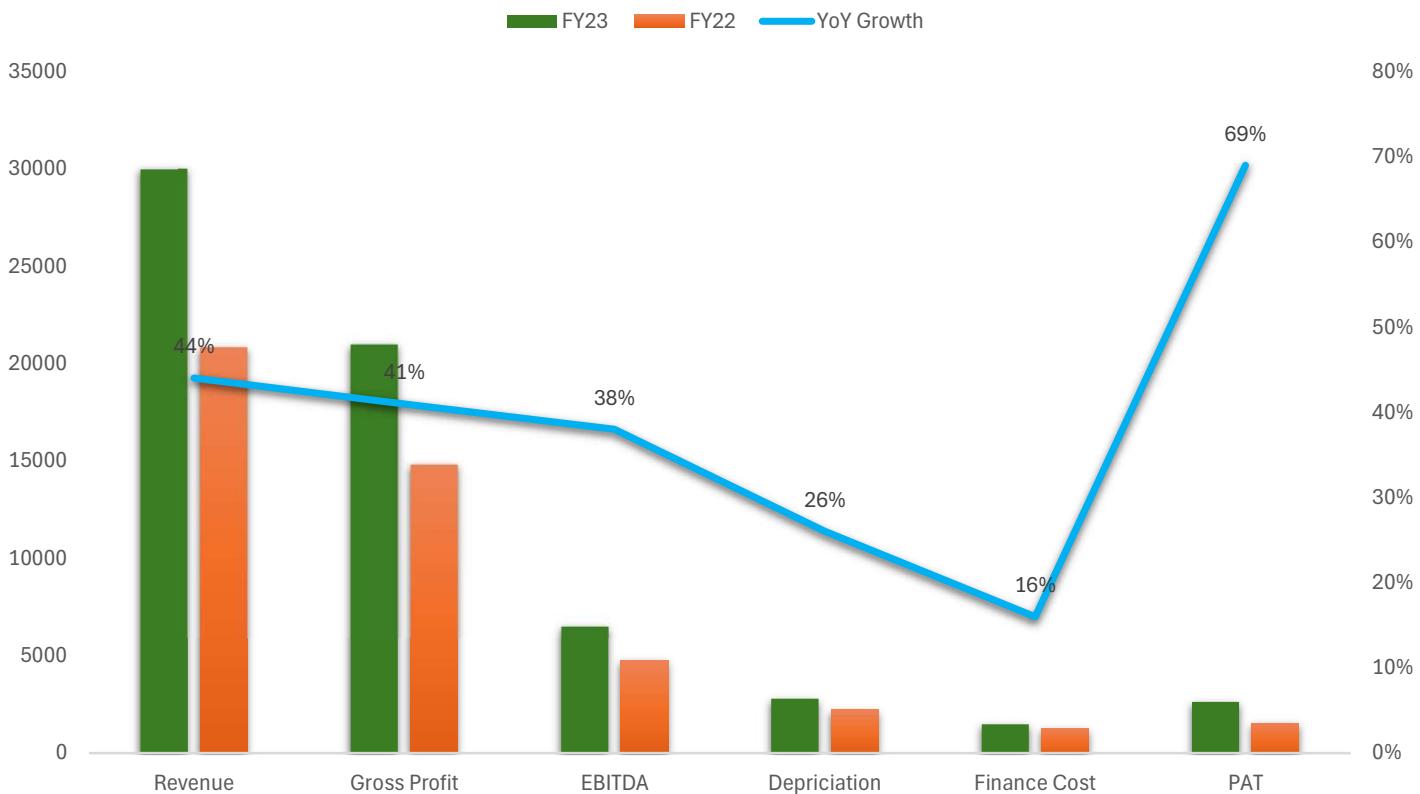
- Consistent all round performance across all Core Brands.
- Recorded steady profitability; PAT at ` 2,625 million vs 1,551 million in FY2022.

### Focus on Scaling-up Stores Pan-India

As of March 31, 2023, DIL has 1,184 stores across all brands in 27 states and 2 union territories across 242 cities in India.

- Added a record total of 292 net new stores during FY2023, led by 93 stores for Pizza Hut, 126 stores for KFC and 57 stores for Costa Coffee.
- Expanded footprint to nearly 38 new cities in FY2023.

### Exhibit 39: Financial Overview



## Exhibit 40: Revenue from Operations - Quarterly



## Exhibit 41: Revenue from Operations - Annual



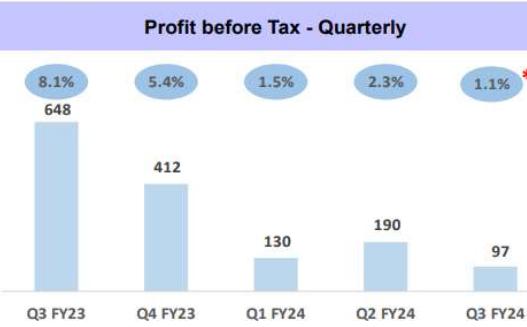
## Exhibit 41: Gross Margin - Quarterly



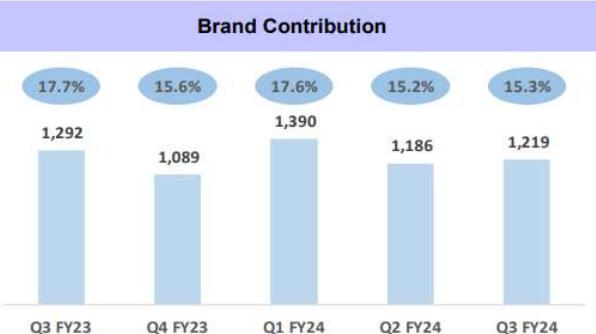
## Exhibit 42: Operating EBITDA - Quarterly



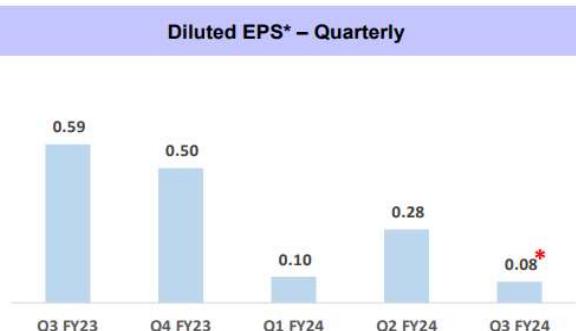
## Exhibit 43: Profit before Tax - Quarterly



## Exhibit 44: Brand Contribution



## Exhibit 45: Diluted EPS - Quarterly



## Exhibit 46: Net New Units - Quarterly



**Exhibit: 47 SG&A Analysis**

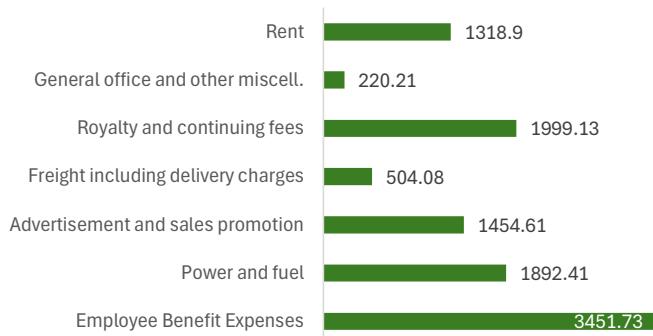
(In Million.)

Particulars	FY17	FY18	FY19	FY20	FY21	FY22	FY23
<b>Employee Benefit Expenses</b>	<b>1744.99</b>	<b>1722.09</b>	<b>2101.38</b>	<b>2254.85</b>	<b>1543.32</b>	<b>2482.36</b>	<b>3451.73</b>
Growth Rate (%)	-	-1.31%	22.02%	7.30%	-31.56%	60.85%	39.05%
<b>Other Expenses</b>							
Stores and spares consumed	-	-	-	-	-	93.66	165.55
Power and fuel	569.3	602.39	726.41	808.79	651.36	1117.57	1892.41
Rent	1297.56	1280.81	1812.77	659.19	-	606.31	1318.9
<b>Repairs and maintenance</b>							
• Plant and equipment	149.51	125.1	143.32	145.71	118.85	143.09	228.49
• Buildings	173.7	190.67	238.82	323.48	281.53	363.09	477.88
• Others	36.89	35.51	40.31	43.34	87.58	126.27	179.06
Rates and taxes	24.4	24.86	34.16	33.75	70.3	88.89	86
Travelling and conveyance	45.41	64.75	87.41	87.09	45.56	103.23	155.73
Legal and professional	20.6	14.12	26.18	47.78	38.85	47.2	60.65
Auditor's remuneration	8.27	8.61	10.61	7.69	10.17	11.18	14.2
Water	26.27	25.66	31.55	33.48	29.63	42.47	71.69
Insurance	11.14	7.15	6.26	6.98	20.19	21.6	18.71
Printing and stationery	6.61	9.38	10.78	12.14	11.01	19.7	29.45
Communication	100.29	94.1	93.03	86.8	60.05	81.25	118.61
Sitting fee/commission paid to non-executive director	1.38	1.33	1.53	1.73	2.79	20.33	29.99
Security and service	48.37	60.64	71.6	88.55	49.92	89.27	149.06
Bank charges	9.33	9.84	6.45	15.45	17.84	17.36	18.56
Advertisement and sales promotion	357.62	399.71	546.39	678.67	661.79	1095.67	1454.61
Commission and brokerage	9.4	5.74	226.15	500.66	819.38	1595.73	1776.27
Royalty and continuing fees	491.55	477.73	630.24	732.44	724.99	1397.39	1999.13
Freight including delivery charges	213.11	193.69	222.58	196.97	183.68	368.58	504.08
Loss on sale of property, plant and equipment	-	-	10.63	58.32	87.38	18.36	2.25
Bad debts and advances written off	10.57	-	0.69	-	-	-	11.33
Loss allowance	25.53	-	2.9	25.68	12.36	5.63	5.64
General office and other miscellaneous	42.21	50.62	36	42.9	27.13	125.65	220.21
Net loss on foreign currency transactions and translations	2.05	0.64	30.52	0.09	-	-	-
Derivatives at fair value through profit and loss	-	-	5.36	8.62	-	-	-
Delivery vehicle running and maintenance	-	11.51	11.19	-	-	-	-
Credit card commission and cash pickup charges	62.73	87.01	-	-	-	-	-
Loading and unloading charges	13.16	8.59	-	-	-	-	-
<b>Total</b>	<b>3756.96</b>	<b>3790.16</b>	<b>5063.84</b>	<b>4646.3</b>	<b>4012.34</b>	<b>7599.48</b>	<b>10988.46</b>

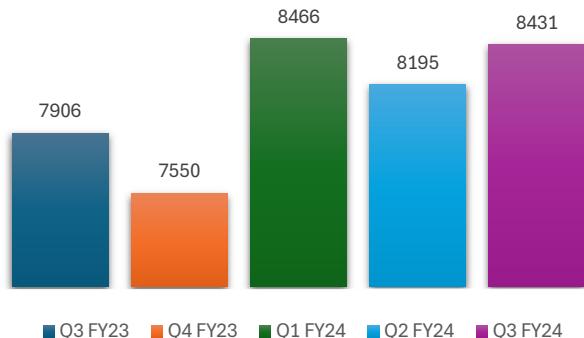
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**Devyani International Limited**



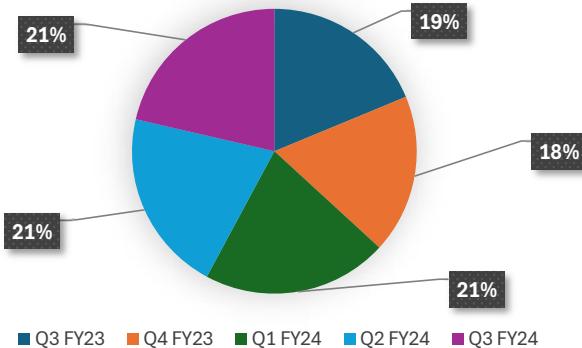
**Exhibit 48: SG&A Breakdown**



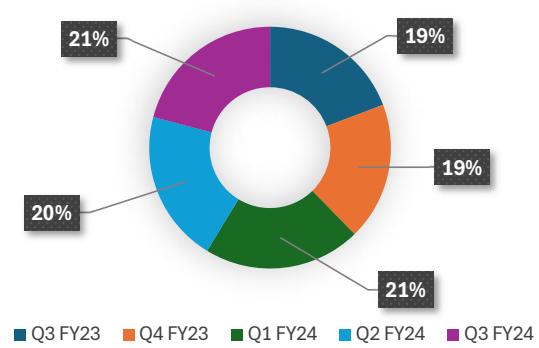
**Exhibit 49: Revenue from Operations - Quarterly**



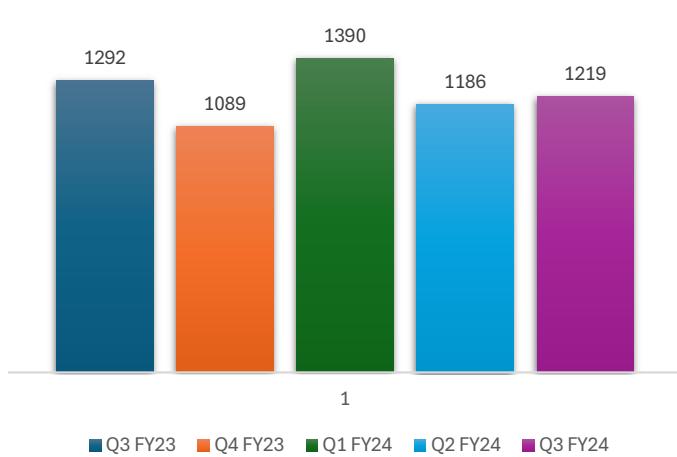
**Exhibit 50: KFC (Revenue - Quarterly)**



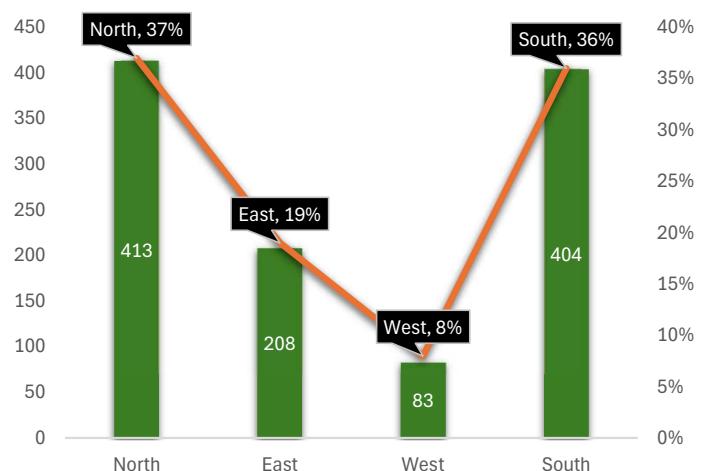
**Exhibit 51: Gross Margin - Quarterly**



**Exhibit 52: Brand Contribution - Quarterly**



**Exhibit 53: Regional Split**



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**Exhibit 55: Depreciation Analysis**

<b>Particulars</b>	<b>FY 17</b>	<b>FY 18</b>	<b>FY 19</b>	<b>FY 20</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>
<b>Revenue</b>	<b>1,048</b>	<b>1,111</b>	<b>1,311</b>	<b>1,516</b>	<b>1,135</b>	<b>2,084</b>	<b>2,998</b>
Rvenue Growth (YoY)		6.02%	18.01%	15.70%	-25.16%	83.64%	43.84%
<b>Net Fixed Assets</b>	<b>406</b>	<b>445</b>	<b>1,578</b>	<b>1,635</b>	<b>1,392</b>	<b>1,756</b>	<b>2,427</b>
Net Fixed Assets Growth (YoY)		9.61%	254.61%	3.61%	-14.86%	26.15%	38.21%
Net Fixed Assets % Revenue	38.74%	40.05%	120.37%	107.85%	122.64%	84.26%	80.95%
<b>Depreciation</b>	<b>137</b>	<b>55</b>	<b>203</b>	<b>223</b>	<b>229</b>	<b>221</b>	<b>279</b>
Growth (YoY)		-59.85%	269.09%	9.85%	2.69%	-3.49%	26.24%
Depreciation % Revenue	13.07%	4.95%	15.48%	14.71%	20.18%	10.60%	9.31%
Depreciation % Fixed Assets	33.74%	12.36%	12.86%	13.64%	16.45%	12.59%	11.50%
<b>Gross Block</b>	<b>445.0</b>	<b>1578.0</b>	<b>1635.0</b>	<b>1392.0</b>	<b>1756.0</b>	<b>2427.0</b>	<b>2572.0</b>
Accumulated Depreciation	112.7	116.2	123.3	262.9	264.0	330.1	416.0
Net Block	332.3	1461.8	1511.7	1129.1	1492.0	2096.9	2156.0
Depreciation of the year	137	55	203	223	229	221	279

**Exhibit 56: Peers Depreciation Analysis**

<b>Particulars</b>	<b>FY 17</b>	<b>FY 18</b>	<b>FY 19</b>	<b>FY 20</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>
<b>Jubilant Foodwork Ltd.</b>							
Depreciation % Revenue	6%	5%	4%	4%	6%	4%	4%
Depreciation % Fixed Assets	19%	20%	19%	19%	21%	16%	15%
Change in Revenue / Change in FA	-5	-43.5	28.68	7.43	-32.37	4.82	2.04
<b>Westlife Foodworld Ltd.</b>							
Depreciation % Revenue	7%	6%	6%	5%	8%	5%	4%
Depreciation % Fixed Assets	13%	13%	16%	14%	16%	15%	13%
Change in Revenue / Change in FA	3.38	8.16	-22.25	1.66	6.24	17.88	4.65
<b>Sapphire Foods India Ltd.</b>							
Depreciation % Revenue	-	6%	6%	8%	10%	5%	5%
Depreciation % Fixed Assets	-	14500%	15%	17%	14%	14%	12%
Change in Revenue / Change in FA	-	-	2.24	1.04	-4.57	-20.65	2.02
<b>Restaurant Brnad Asia Ltd.</b>							
Depreciation % Revenue	-	-	-	-	13%	9%	8%
Depreciation % Fixed Assets	-	-	-	-	17%	16%	17%
Change in Revenue / Change in FA	-	-	-	-	1.34	9.17	3.92
Median - Depreciation % Revenue	7%	6%	6%	5%	9%	5%	4%
Average - Depreciation % Revenue	7%	6%	6%	6%	9%	6%	5%
Median - Depreciation % Fixed Assets	17%	14%	16%	17%	16%	15%	12%
Average - Depreciation % Fixed Assets	17%	14%	16%	16%	16%	15%	13%
<b>Devyani International Limited</b>							
Depreciation % Revenue	7%	5%	6%	5%	7%	4%	4%
Depreciation % Fixed Assets	22%	15%	16%	17%	16%	15%	12%
Change in Revenue / Change in FA	-0.44	1.62	2.25	-34.17	-23.81	8.18	2.72

**Exhibit 55: Depreciation Analysis**

Particulars	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
<b>Revenue</b>	<b>1,048</b>	<b>1,111</b>	<b>1,311</b>	<b>1,516</b>	<b>1,135</b>	<b>2,084</b>	<b>2,998</b>
Rvenue Growth (YoY)		6.02%	18.01%	15.70%	-25.16%	83.64%	43.84%
<b>Net Fixed Assets</b>	<b>406</b>	<b>445</b>	<b>1,578</b>	<b>1,635</b>	<b>1,392</b>	<b>1,756</b>	<b>2,427</b>
Net Fixed Assets Growth (YoY)		9.61%	254.61%	3.61%	-14.86%	26.15%	38.21%
Net Fixed Assets % Revenue	38.74%	40.05%	120.37%	107.85%	122.64%	84.26%	80.95%
<b>Depreciation</b>	<b>137</b>	<b>55</b>	<b>203</b>	<b>223</b>	<b>229</b>	<b>221</b>	<b>279</b>
Growth (YoY)		-59.85%	269.09%	9.85%	2.69%	-3.49%	26.24%
Depreciation % Revenue	13.07%	4.95%	15.48%	14.71%	20.18%	10.60%	9.31%
Depreciation % Fixed Assets	33.74%	12.36%	12.86%	13.64%	16.45%	12.59%	11.50%
<b>Gross Block</b>	<b>445.0</b>	<b>1578.0</b>	<b>1635.0</b>	<b>1392.0</b>	<b>1756.0</b>	<b>2427.0</b>	<b>2572.0</b>
Accumulated Depreciation	112.7	116.2	123.3	262.9	264.0	330.1	416.0
Net Block	332.3	1461.8	1511.7	1129.1	1492.0	2096.9	2156.0
Depreciation of the year	137	55	203	223	229	221	279

**Exhibit 56: Peers Depreciation Analysis**

Particulars	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
<b>Jubilant Foodwork Ltd.</b>							
Depreciation % Revenue	6%	5%	4%	4%	6%	4%	4%
Depreciation % Fixed Assets	19%	20%	19%	19%	21%	16%	15%
Change in Revenue / Change in FA	-5	-43.5	28.68	7.43	-32.37	4.82	2.04
<b>Westlife Foodworld Ltd.</b>							
Depreciation % Revenue	7%	6%	6%	5%	8%	5%	4%
Depreciation % Fixed Assets	13%	13%	16%	14%	16%	15%	13%
Change in Revenue / Change in FA	3.38	8.16	-22.25	1.66	6.24	17.88	4.65
<b>Sapphire Foods India Ltd.</b>							
Depreciation % Revenue	-	6%	6%	8%	10%	5%	5%
Depreciation % Fixed Assets	-	14500%	15%	17%	14%	14%	12%
Change in Revenue / Change in FA	-	-	2.24	1.04	-4.57	-20.65	2.02
<b>Restaurant Brnad Asia Ltd.</b>							
Depreciation % Revenue	-	-	-	-	13%	9%	8%
Depreciation % Fixed Assets	-	-	-	-	17%	16%	17%
Change in Revenue / Change in FA	-	-	-	-	1.34	9.17	3.92
Median - Depreciation % Revenue	7%	6%	6%	5%	9%	5%	4%
Average - Depreciation % Revenue	7%	6%	6%	6%	9%	6%	5%
Median - Depreciation % Fixed Assets	17%	14%	16%	17%	16%	15%	12%
Average - Depreciation % Fixed Assets	17%	14%	16%	16%	16%	15%	13%
<b>Devyani International Limited</b>							
Depreciation % Revenue	7%	5%	6%	5%	7%	4%	4%
Depreciation % Fixed Assets	22%	15%	16%	17%	16%	15%	12%
Change in Revenue / Change in FA	-0.44	1.62	2.25	-34.17	-23.81	8.18	2.72

**Exhibit 57: Inventory Analysis**

(In Crores)

Particulars	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
Revenue from Operations	1,048	1,111	1,311	1,516	1,135	2,084	2,998
Revenue Growth (YoY)		6.02%	18.01%	15.70%	-25.16%	83.64%	43.84%
COGS	1,008	1,015	1,106	1,297	938	1,608	2,340
COGS Growth (YoY)		0.69%	8.97%	17.27%	-27.68%	71.43%	45.52%
Inventory Level	34	45	55	72	62	85	108
Growth (YoY)		32.35%	22.22%	30.91%	-13.89%	37.10%	27.06%
Inventory % COGS	3.37%	4.43%	4.97%	5.55%	6.61%	5.29%	4.62%
Inventory % Revenue	3.24%	4.05%	4.20%	4.75%	5.46%	4.08%	3.60%
Current Assets	190	283	229	249	276	507	558
Inventory % Current Assets	17.89%	15.90%	24.02%	28.92%	22.46%	16.77%	19.35%
Inventory Turnover Ratio (COGS)	29.65%	22.56%	20.11%	18.01%	15.13%	18.92%	21.67%

**Exhibit 58: Peers Inventory Analysis**

(In Crores)

Particulars	Mar-21	Mar-22	Mar-23
Jubilant Foodworks Ltd.	74	62	52
Westlife Foodworld Ltd.	49	40	38
Sapphire Foods India Ltd.	56	46	49
Restaurant Brand Asia	18	15	16
Barbeque - Nation Hospitality Ltd.	41	43	37
Median	49	43	38
Average	46	39	38
<b>Devyani International Limited</b>	<b>66</b>	<b>52</b>	<b>52</b>

**Exhibit 59: Trade Payable Analysis**

Particulars	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
Revenue From operations	1,048	1,111	1,311	1,516	1,135	2,084	2,998
Growth (YoY)		6.02%	18.01%	15.70%	-25.16%	83.64%	43.84%
Trade Payable	114	128	137	163	162	196	254
Growth (YoY)		12.28%	7.03%	18.98%	-0.61%	20.99%	29.59%
Current Liabilities	385	456	1475	1544	1309	2156	3053
COGS	1,008	1,015	1,106	1,297	938	1,608	2,340
Trade Payable % Revenue	10.88%	11.52%	10.45%	10.75%	14.27%	9.40%	8.47%
Trade Payable % Current Liabilities	29.61%	28.07%	9.29%	10.56%	12.38%	9.09%	8.32%
Trade Payable % COGS	11.31%	12.61%	12.39%	12.57%	17.27%	12.19%	10.85%
Payable Days (COGS)	129	139	128	129	171	119	98

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**Devyani International Limited****Exhibit 60: Peers Trade Payable Analysis**

Particulars	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Jubilant Foodworks Ltd.	192	203	193	179	182	269	202	164
Westlife Foodworld Ltd.	74	74	93	84	87	194	123	100
Sapphire Foods India Ltd.	-	-	128	106	110	170	138	107
Restaurant Brand Asia	-	-	-	-	-	226	152	133
Barbeque - Nation Hospitality Ltd.	78	85	-	-	141	301	118	109
Median	78	85	128	106	120	194	123	107
Average	93	96	120	106	117	212	130	109
<b>Devyani International Limited</b>	<b>127</b>	<b>129</b>	<b>139</b>	<b>128</b>	<b>129</b>	<b>171</b>	<b>119</b>	<b>98</b>

**Exhibit 61: Cash Conversion Days - Devayni International Limited**

Particulars	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Debtor Days	5	6	6	6	4	5	4	4
Inventory Days	45	39	48	52	57	66	52	52
Days Payable	127	129	139	128	129	171	119	98
<b>Cash Conversion Cycle</b>	<b>-77</b>	<b>-85</b>	<b>-84</b>	<b>-70</b>	<b>-68</b>	<b>-100</b>	<b>-64</b>	<b>-42</b>
Working Capital Days	-31	-67	-51	-46	-60	-37	-6	-26
ROCE %		-19.00%	15.00%	7.00%	4.00%	4.00%	16.00%	18.00%

**Exhibit 62: Cash Conversion Cycle****Exhibit 63: Peer Analysis of Cash Conversion Cycle**

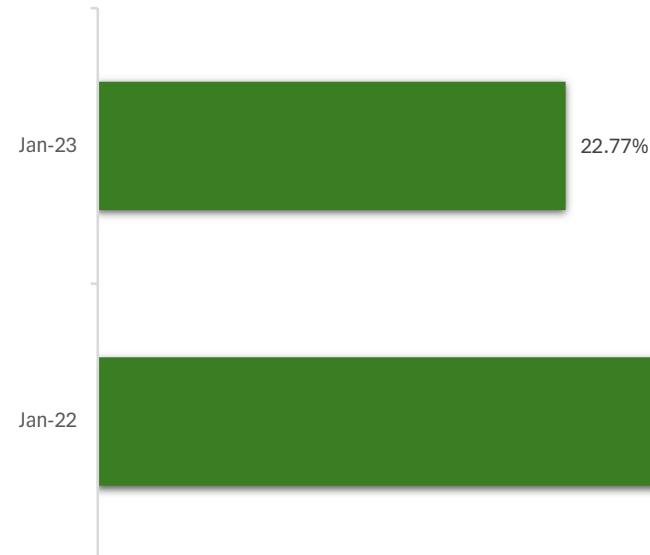
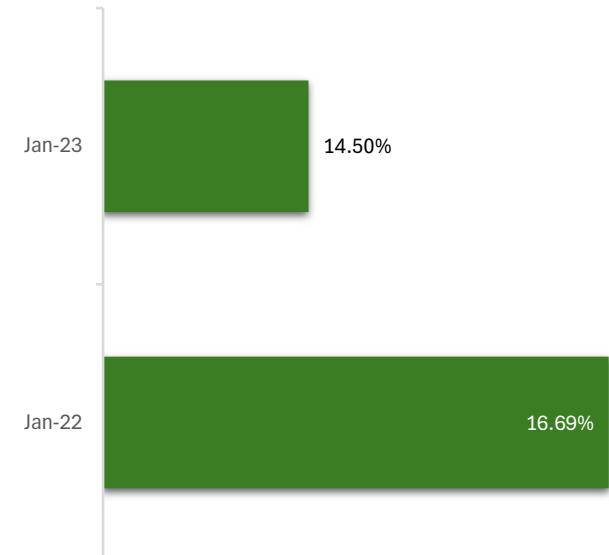
Particulars	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Jubilant Foodworks Ltd.	-153	-165	-157	-140	-138	-193	-138	-110
Westlife Foodworld Ltd.	-42	-42	-62	-52	-58	-142	-80	-60
Sapphire Foods India Ltd.	-	-	-87	-63	-69	-110	-89	-55
Restaurant Brand Asia	-	-	-	-	-	-205	-134	-114
Barbeque - Nation Hospitality Ltd.	-43	-49	2	-121	-257	-73	-69	
Median	-43	-49	-73	-58	-69	-142	-80	-60
Average	-54	-59	-58	-46	-79	-163	-88	-68
<b>Devyani International Limited</b>	<b>-</b>	<b>-77</b>	<b>-84</b>	<b>-70</b>	<b>-68</b>	<b>-100</b>	<b>-64</b>	<b>-42</b>

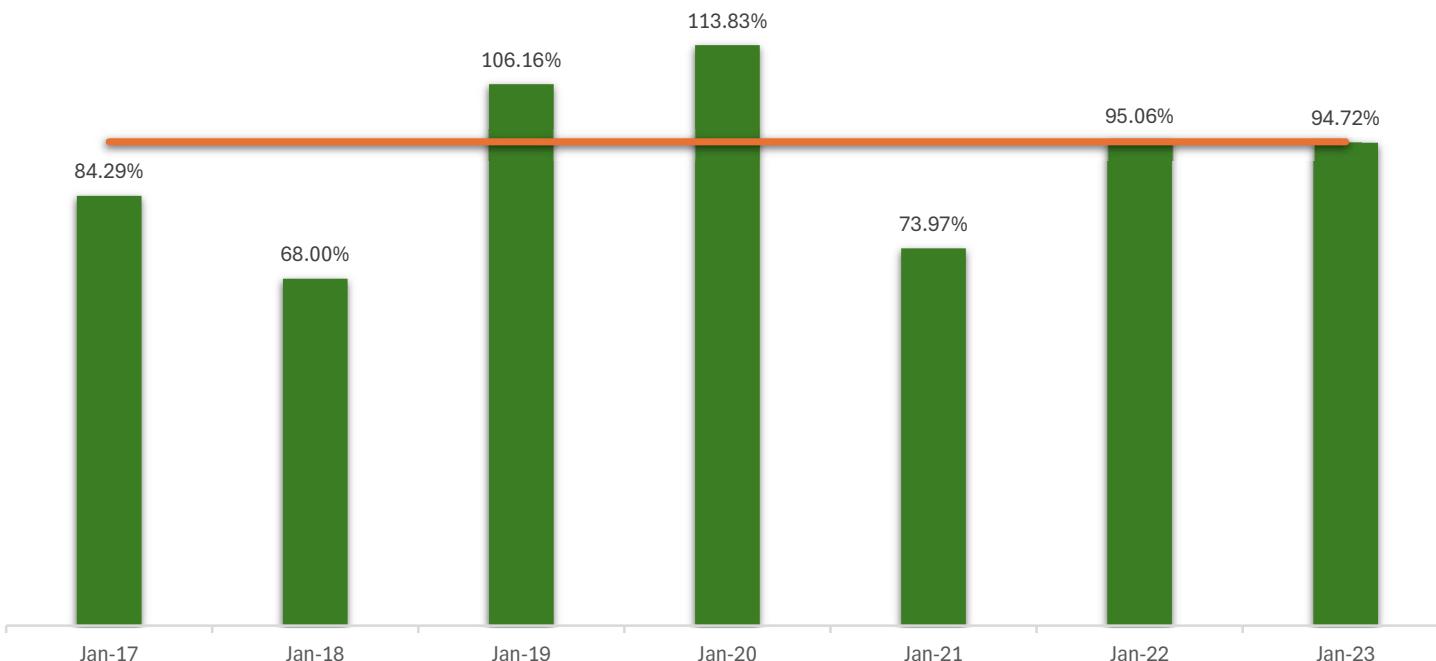
**Exhibit 64: Peer Analysis of Cash and Cash Equivalents**

Particulars	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Jubilant Foodworks Ltd.	33	35	129	494	656	539	563	257
Westlife Foodworld Ltd.	-	7	11	9	3	11	23	28
Sapphire Foods India Ltd.	-	-	35	186	39	50	255	220
Restaurant Brand Asia	-	-	-	-	-	278	277	155
Barbeque - Nation Hospitality Ltd.	1	5	44	12	15	245	85	43
Median	7	7	40	20	16	50	85	85
Average	18	16	34	59	18	125	141	106
<b>Devyani International Limited</b>	<b>46</b>	<b>37</b>	<b>45</b>	<b>27</b>	<b>16</b>	<b>41</b>	<b>66</b>	<b>85</b>

**Exhibit 65: MOAT Assessment - Devyani International Limited**

Particulars	Mar-22	Mar-23
Gross Profit Margin	22.95%	23.44%
EBITDA Margin	22.84%	21.94%
Net Profit Margin	8.75%	7.44%
Operating Margin	13.65%	12.82%
ROCE	16.69%	14.50%
ROE	27.35%	22.77%
EPS	2.2	1.32
ROA	8.86%	6.90%

**Exhibit 66: Return on Equity (ROE)****Exhibit 67: Return on Capital Employed (ROCE)**

**Exhibit 68: EBITDA to CFO conversion upto 94.86%****Exhibit 69: CFO/EBITDA Analysis - Devyani International Limited**

Particulars	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
CFO	90	91	278	301	240	451	637
EBITDA	106.77	133.83	261.88	264.43	324.44	474.43	672.5
<b>CFO/EBITDA</b>	<b>84.29%</b>	<b>68.00%</b>	<b>106.16%</b>	<b>113.83%</b>	<b>73.97%</b>	<b>95.06%</b>	<b>94.72%</b>

**Exhibit 70: CFO/EBITDA Peer Analysis**

Particulars	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
CFO - Jubilant Foodworks Ltd.	204	409	424	728	751	930	1026
EBITDA - Jubilant Foodworks Ltd.	247	441	600	877	772	1110	1153
<b>CFO/EBITDA - Jubilant Foodworks Ltd.</b>	<b>83%</b>	<b>93%</b>	<b>71%</b>	<b>83%</b>	<b>97%</b>	<b>84%</b>	<b>89%</b>
CFO - Westlife Foodworld Ltd.	66	137	112	200	129	171	349
EBITDA - Westlife Foodworld Ltd.	47	77	119	214	47	189	374
<b>CFO/EBITDA - Westlife Foodworld Ltd.</b>	<b>141%</b>	<b>177%</b>	<b>94%</b>	<b>93%</b>	<b>275%</b>	<b>90%</b>	<b>93%</b>
CFO - Sapphire Foods India Ltd.	-	-	47	213	154	395	382
EBITDA - Sapphire Foods India Ltd.	-	-	19	146	90	238	388
<b>CFO/EBITDA - Sapphire Foods India Ltd.</b>	<b>-</b>	<b>-</b>	<b>242%</b>	<b>6%</b>	<b>171%</b>	<b>166%</b>	<b>98%</b>
CFO - Restaurant Brand Asia Ltd.	-	-	-	-	48	78	124
EBITDA - Restaurant Brand Asia Ltd.	-	-	-	-	15	90	165
<b>CFO/EBITDA - Restaurant Brand Asia Ltd.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>320%</b>	<b>87%</b>	<b>75%</b>

**Exhibit 71: Dupont Analysis - Devyani International Limited**

Return on Equity								
	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Net Profit	-127	-120	46	-79	-122	-55	156	265
Average Shareholder Equity	88	131	113	34	-130	-38	400	828
<b>Return on Equity</b>	<b>-144.75%</b>	<b>-91.33%</b>	<b>40.63%</b>	<b>-229.99%</b>	<b>93.83%</b>	<b>146.58%</b>	<b>39.08%</b>	<b>31.99%</b>
Return on Equity - Dupont Equation								
	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Net Profit	-127	-120	46	-79	-122	-55	156	265
Revenues	1,012	1,048	1,111	1,311	1,516	1,135	2,084	2,998
<b>Net Profit Margins (A)</b>	<b>-12.57%</b>	<b>-11.46%</b>	<b>4.14%</b>	<b>-6.05%</b>	<b>-8.02%</b>	<b>-4.87%</b>	<b>7.50%</b>	<b>8.84%</b>
Revenues	1,012	1,048	1,111	1,311	1,516	1,135	2,084	2,998
Average Total Assets	360	658	662	1,268	1,846	1,776	1,965	2,626
<b>Asset Turnover Ratio (B)</b>	<b>2.81 x</b>	<b>1.59 x</b>	<b>1.68 x</b>	<b>1.03 x</b>	<b>0.82 x</b>	<b>0.64 x</b>	<b>1.06 x</b>	<b>1.14 x</b>
Average Total Assets	360	658	662	1,268	1,846	1,776	1,965	2,626
Average Shareholder Equity	88	131	113	34	-130	-38	400	828
<b>Equity Multiplier (C)</b>	<b>4.10 x</b>	<b>5.01 x</b>	<b>5.85 x</b>	<b>36.80 x</b>	<b>-14.23 x</b>	<b>-47.15 x</b>	<b>4.91 x</b>	<b>3.17 x</b>
<b>Return on Equity (A*B*C)</b>	<b>-144.75%</b>	<b>-91.33%</b>	<b>40.63%</b>	<b>-229.99%</b>	<b>93.83%</b>	<b>146.58%</b>	<b>39.08%</b>	<b>31.99%</b>
Return on Assets								
	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Net Profit	-127	-120	46	-79	-122	-55	156	265
Average Total Assets	360	658	662	1,268	1,846	1,776	1,965	2,626
<b>Return on Assets</b>	<b>-35.33%</b>	<b>-18.25%</b>	<b>6.94%</b>	<b>-6.25%</b>	<b>-6.59%</b>	<b>-3.11%</b>	<b>7.95%</b>	<b>10.09%</b>
Return on Assets - Dupont Equation								
	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Net Profit	-127	-120	46	-79	-122	-55	156	265
Revenues	1,012	1,048	1,111	1,311	1,516	1,135	2,084	2,998
<b>Net Profit Margins (A)</b>	<b>-12.57%</b>	<b>-11.46%</b>	<b>4.14%</b>	<b>-6.05%</b>	<b>-8.02%</b>	<b>-4.87%</b>	<b>7.50%</b>	<b>8.84%</b>
Revenues	1,012	1,048	1,111	1,311	1,516	1,135	2,084	2,998
Average Total Assets	360	658	662	1,268	1,846	1,776	1,965	2,626
<b>Asset Turnover Ratio (B)</b>	<b>2.81 x</b>	<b>1.59 x</b>	<b>1.68 x</b>	<b>1.03 x</b>	<b>0.82 x</b>	<b>0.64 x</b>	<b>1.06 x</b>	<b>1.14 x</b>
<b>Return on Assets (A*B)</b>	<b>-35.33%</b>	<b>-18.25%</b>	<b>6.94%</b>	<b>-6.25%</b>	<b>-6.59%</b>	<b>-3.11%</b>	<b>7.95%</b>	<b>10.09%</b>
Return on Capital Employed								
	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	
EBIT	-30	79	59	41	95	253	394	
Average Capital Employed	484	584	633	1,306	1,248	1,842	2,453	
<b>Return on Capital Employed</b>	<b>-6.30%</b>	<b>13.49%</b>	<b>9.33%</b>	<b>3.15%</b>	<b>7.61%</b>	<b>13.74%</b>	<b>16.05%</b>	
Return on Capital Employed - Dupont Equation								
	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	
EBIT	-30	79	59	41	95	253	394	
Revenues	1,048	1,111	1,311	1,516	1,135	2,084	2,998	
<b>EBIT Margins (A)</b>	<b>-2.91%</b>	<b>7.09%</b>	<b>4.51%</b>	<b>2.71%</b>	<b>8.37%</b>	<b>12.14%</b>	<b>13.13%</b>	
Revenues	1,048	1,111	1,311	1,516	1,135	2,084	2,998	
Capital Employed	484	584	633	1,306	1,248	1,842	2,453	
<b>Capital Turnover Ratio (B)</b>	<b>2.16 x</b>	<b>1.90 x</b>	<b>2.07 x</b>	<b>1.16 x</b>	<b>0.91 x</b>	<b>1.13 x</b>	<b>1.22 x</b>	
<b>Return on Capital Employed(A*B)</b>	<b>-6.30%</b>	<b>13.49%</b>	<b>9.33%</b>	<b>3.15%</b>	<b>7.61%</b>	<b>13.74%</b>	<b>16.05%</b>	

Academic Research Project - Not A Recommendation

**Devyani International Limited****Exhibit 72: Peer Comparison (Dupont Equation) of ROE**

	Jubilant	Devyani	Sapphire	Westlife
Net Profit Margin (A)	6.87%	8.84%	10.28%	4.92%
Asset Turnover Ratio (B)	0.96	1.17	0.98	1.2
Equity Multiplier (C)	2.64	3.08	2.05	3.7
<b>Return on Equity (A*B*C)</b>		<b>32%</b>	<b>20.59%</b>	<b>21.79%</b>

**Exhibit 73: Peer Comparison**

	Devyani	Average	Median
Net Profit Margin (A)	8.84%	8.01%	8.80%
Asset Turnover Ratio (B)	1.17	1.12	1.17
Equity Multiplier (C)	3.08	2.94	3.08
<b>Return on Equity (A*B*C)</b>	<b>32%</b>	<b>26.34%</b>	<b>32.00%</b>

**Exhibit 74: Peer Comparison (Dupont Equation) of ROA**

	Jubilant	Devyani	Sapphire	Westlife
Net Profit Margin (A)	6.87%	8.84%	10.28%	4.92%
Asset Turnover Ratio (B)	0.96	1.17	0.98	1.2
Equity Multiplier (C)				
<b>Return on Equity (A*B*C)</b>		<b>6.58%</b>	<b>10.38%</b>	<b>10.05%</b>
<b>Return on Assets (A*B)</b>		<b>6.58%</b>	<b>10.38%</b>	<b>5.89%</b>

**Exhibit 75: Peer Comparison**

	Devyani	Average	Median
Net Profit Margin (A)	8.84%	8.01%	8.84%
Asset Turnover Ratio (B)	1.17	1.12	1.17
<b>Return on Assets (A*B)</b>	<b>10.38%</b>	<b>8.95%</b>	<b>10.38%</b>

**Exhibit 76: Peer Comparison (Dupont Equation) of ROCE**

	Jubilant	Devyani	Sapphire	Westlife
EBIT Margin (A)	12.93%	12.54%	7.24%	9.75%
Capital Turnover Ratio (B)	1.21	1.45	1.24	1.64
<b>Return on Equity (A*B*C)</b>		<b>15.58%</b>	<b>18.16%</b>	<b>8.97%</b>
<b>Return on Assets (A*B)</b>		<b>15.58%</b>	<b>18.16%</b>	<b>15.94%</b>

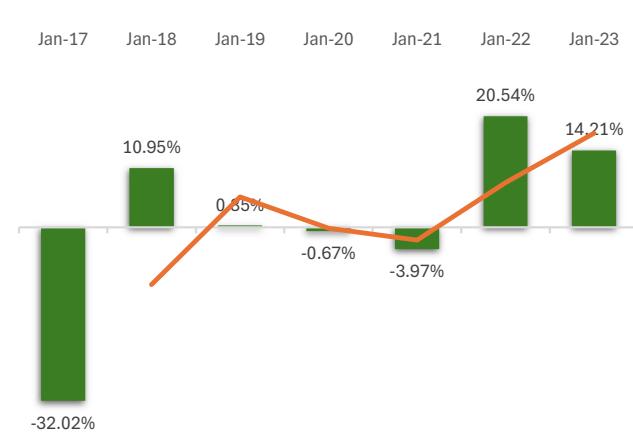
**Exhibit 77: Peer Comparison**

	Devyani	Average	Median
Net Profit Margin (A)	8.84%	8.01%	8.84%
Asset Turnover Ratio (B)	1.17	1.12	1.17
<b>Return on Assets (A*B)</b>	<b>10.38%</b>	<b>8.95%</b>	<b>10.38%</b>

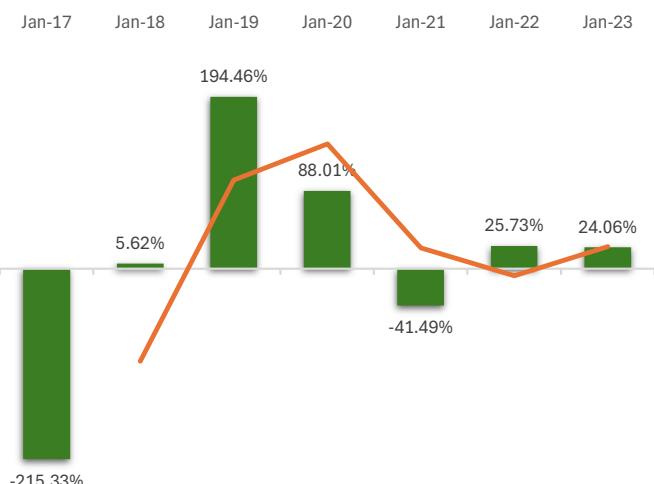
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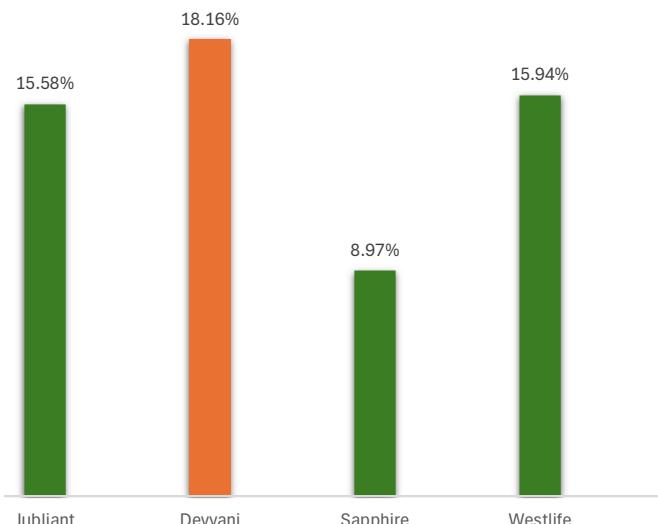
**Exhibit 78: Return on Capital Employed (ROCE)**



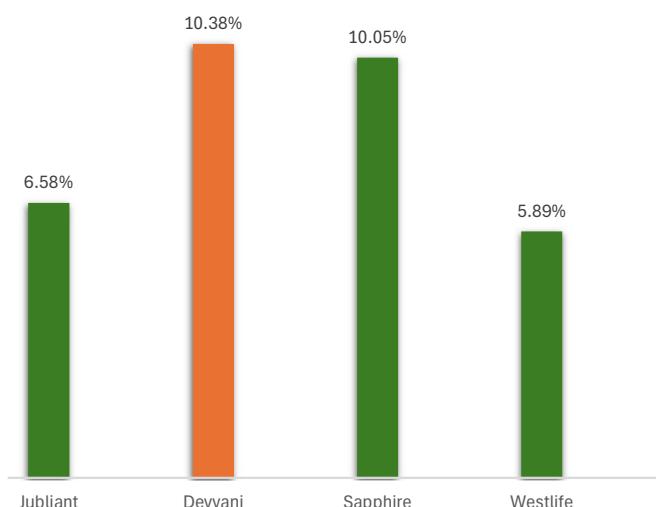
**Exhibit 79: Return of Equity**



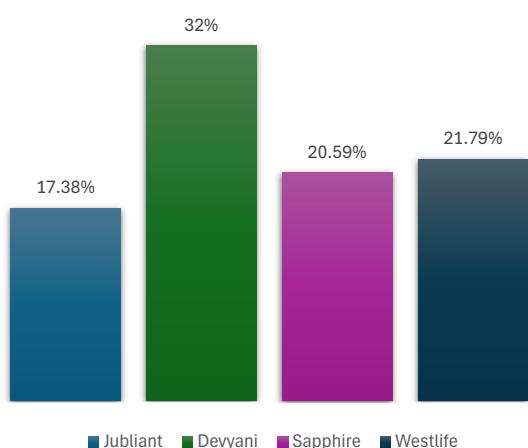
**Exhibit 79: ROCE Peers Comparison**



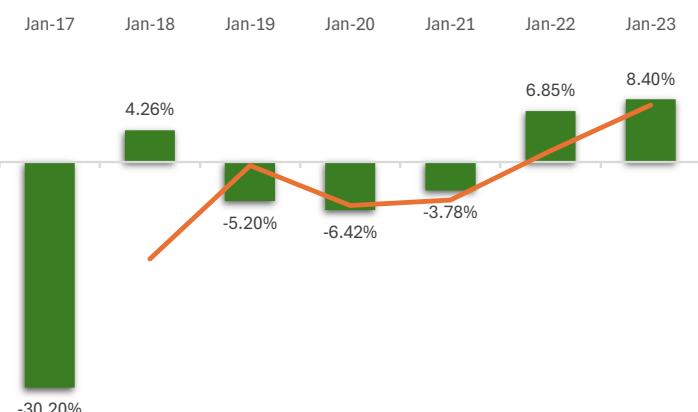
**Exhibit 80: ROA Peers Comparison**



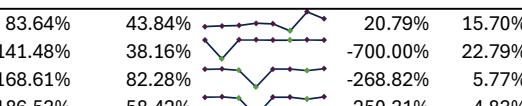
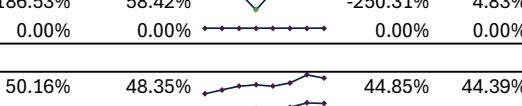
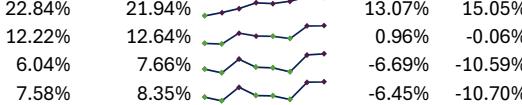
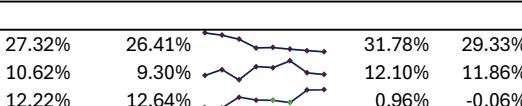
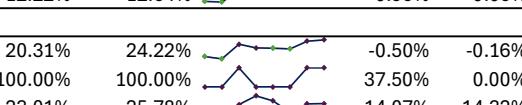
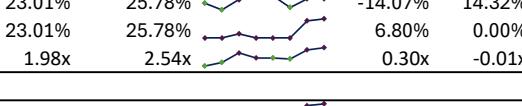
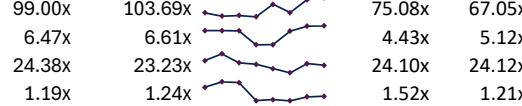
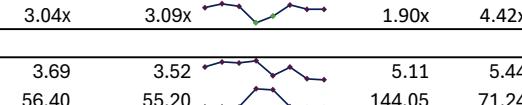
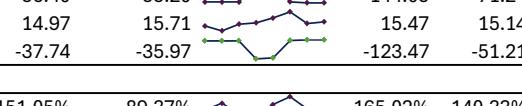
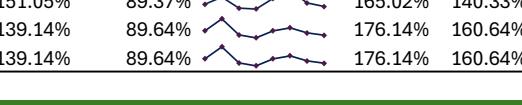
**Exhibit 81: Return on Equity Peer Comparison**



**Exhibit 82: Return on Assets**



**Exhibit 83: Ratio Analysis**

Years	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	Trends	Mean	Median
SalesGrowth	-	3.47%	6.02%	18.01%	15.70%	-25.16%	83.64%	43.84%		20.79%	15.70%
EBITDA Growth	0.00%	-6034.85%	144.27%	113.75%	7.41%	-10.26%	141.48%	38.16%		-700.00%	22.79%
EBIT Growth	0.00%	44.59%	-103.75%	-2038.25%	21.66%	11.54%	-168.61%	82.28%		-268.82%	5.77%
Net Profit Growth	0.00%	44.93%	-104.17%	-1846.68%	21.85%	9.67%	-186.53%	58.42%		-250.31%	4.83%
Dividend Growth	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%
Gross Margin	39.87%	41.94%	44.02%	44.75%	44.00%	45.70%	50.16%	48.35%		44.85%	44.39%
EBITDA Margin	-0.07%	3.74%	8.62%	15.61%	14.49%	17.37%	22.84%	21.94%		13.07%	15.05%
EBIT Margin	-8.50%	-9.36%	3.66%	0.13%	-0.24%	-2.85%	12.22%	12.64%		0.96%	-0.06%
EBT Margin	-12.73%	-17.78%	0.63%	-10.32%	-10.85%	-16.18%	6.04%	7.66%		-6.69%	-10.59%
Net Profit Margin	-12.79%	-17.92%	0.70%	-10.42%	-10.98%	-16.08%	7.58%	8.35%		-6.45%	-10.70%
SalesExpenses%Sales	39.93%	38.20%	35.41%	29.15%	29.51%	28.33%	27.32%	26.41%		31.78%	29.33%
Depreciation%Sales	8.43%	13.10%	4.96%	15.48%	14.73%	20.22%	10.62%	9.30%		12.10%	11.86%
OperatingIncome%Sales	-8.50%	-9.36%	3.66%	0.13%	-0.24%	-2.85%	12.22%	12.64%		0.96%	-0.06%
Return on Capital Employed	-24.73%	-32.02%	10.95%	0.35%	-0.67%	-2.43%	20.31%	24.22%		-0.50%	-0.16%
Retained Earnings%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	100.00%	100.00%		37.50%	0.00%
Return on Equity%	-73.66%	-215.33%	5.62%	194.46%	88.01%	-160.43%	23.01%	25.78%		-14.07%	14.32%
Self Sustained Growth Rate	0.00%	0.00%	5.62%	0.00%	0.00%	0.00%	23.01%	25.78%		6.80%	0.00%
Interest Coverage Ratio	-2.01x	-1.11x	1.21x	0.01x	-0.02x	-0.21x	1.98x	2.54x		0.30x	-0.01x
Debtor Turnover Ratio	66.87x	58.85x	60.33x	57.03x	87.65x	67.23x	99.00x	103.69x		75.08x	67.05x
Creditor Turnover Ratio	5.15x	5.17x	5.09x	0.94x	0.99x	5.01x	6.47x	6.61x		4.43x	5.12x
Inventory Turnover	26.28x	30.87x	24.88x	23.86x	21.03x	18.25x	24.38x	23.23x		24.10x	24.12x
Fixed Asset Turnover	2.06x	2.58x	2.49x	0.83x	0.93x	0.82x	1.19x	1.24x		1.52x	1.21x
Capital Turnover Ratio	5.76x	12.02x	7.98x	-18.66x	-8.02x	9.97x	3.04x	3.09x		1.90x	4.42x
Debtor Days	5.46	6.20	6.05	6.40	4.16	5.43	3.69	3.52		5.11	5.44
Payable Days	70.83	70.55	71.66	386.98	367.93	72.88	56.40	55.20		144.05	71.24
Inventory Days	13.89	11.82	14.67	15.30	17.35	20.01	14.97	15.71		15.47	15.14
Cash Conversion Cycle (in days)	-51.48	-52.53	-50.94	-365.28	-346.42	-47.45	-37.74	-35.97		-123.47	-51.21
CFO/Sales	129.60%	249.93%	61.68%	47.84%	226.92%	363.75%	151.05%	89.37%		165.02%	140.33%
CFO/Total Assets	182.15%	439.32%	94.09%	34.69%	182.68%	247.42%	139.14%	89.64%		176.14%	160.64%
CFO/Total Debt	182.15%	439.32%	94.09%	34.69%	182.68%	247.42%	139.14%	89.64%		176.14%	160.64%

**Exhibit 84: FCFF Assumption**

<b>WACC:-</b>	<b>12.86%</b>	<b>Cost of Equity :-</b>			
<b>Cost of Debt</b>					
Risk Free Rate	7.07%	10 Year Govt. Bond			7.14%
India Default spread	2.39%	India's Credit Rating			A,A1
Interest Coverage Ratio	1.11	Rating Based Default Spread			2.39%
Rating based upon ICR	A,A1	<b>Risk Free Rate</b>			<b>0.07</b>
Corporate Default Spread	3%	USA implied ERP			4.57%
Pre-tax Cost of Debt	10.22%	India ERP			6.96%
Tax Rate	47.65%	Levered Beta			0.9
<b>After Tax Cost of Debt</b>	<b>5.35%</b>	<b>Cost of Equity</b>			<b>10.71%</b>

**Exhibit 85: Calculations of PV of FCFF - Devyani International Limited**

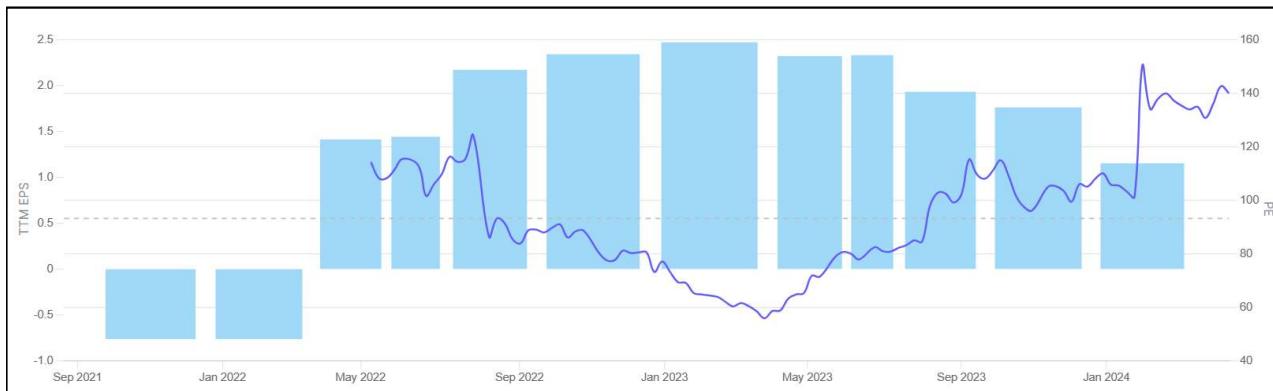
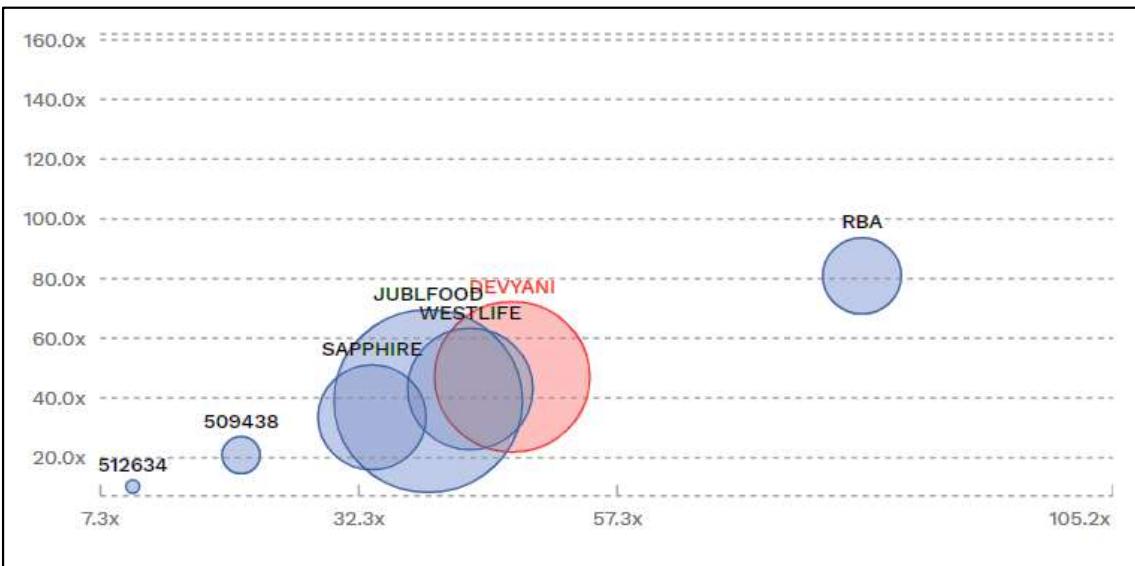
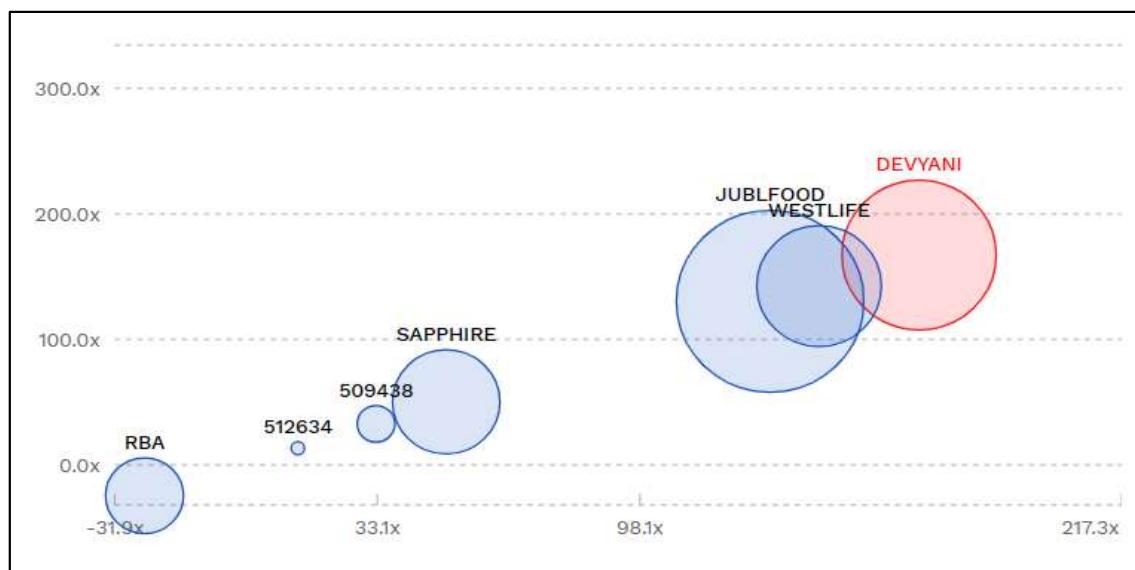
<b>Particulars</b>	<b>2023 A</b>	<b>2024 E</b>	<b>2025 E</b>	<b>2026 E</b>	<b>2027 E</b>	<b>2028 E</b>
EBIT	393.74	433.47	477.21	525.36	578.36	636.72
<b>Tax Rate</b>	<b>47.65%</b>	<b>47.65%</b>	<b>47.65%</b>	<b>47.65%</b>	<b>47.65%</b>	<b>47.65%</b>
EBIT(1-T)	206.12	226.92	249.82	275.02	302.77	333.32
Less: Reinvestment Rate	58.70%	60.05%	61.41%	62.76%	64.11%	64.11%
Free Cash Flow to Firm (FCFF)	85.13	90.65	96.42	102.43	108.67	119.63
Mid Year Convention		0.50	1.50	2.50	3.50	4.50
Discounting Factor		0.94	0.83	0.74	0.66	0.58
<b>PV of FCFF</b>	<b>85.34</b>	<b>80.44</b>	<b>75.73</b>	<b>71.20</b>	<b>69.46</b>	
<b>Expected Growth</b>						<b>10.09%</b>
<b>Terminal Growth</b>						<b>6.00%</b>
<b>WACC</b>						<b>12.84%</b>

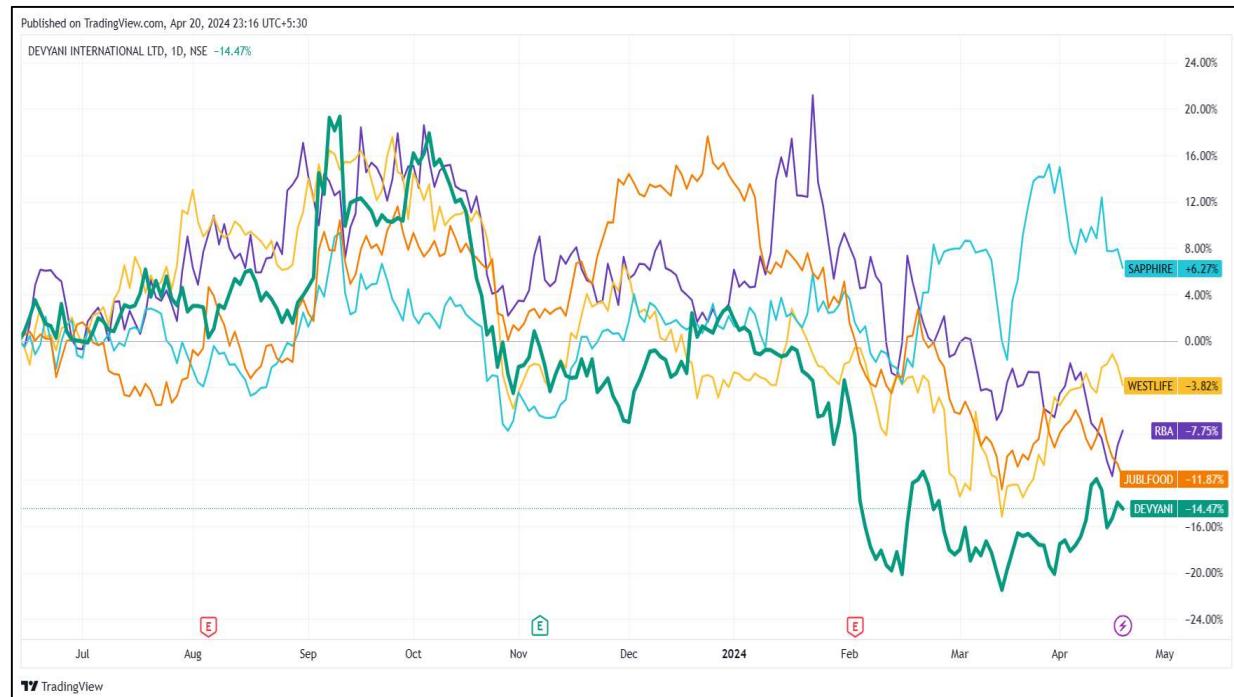
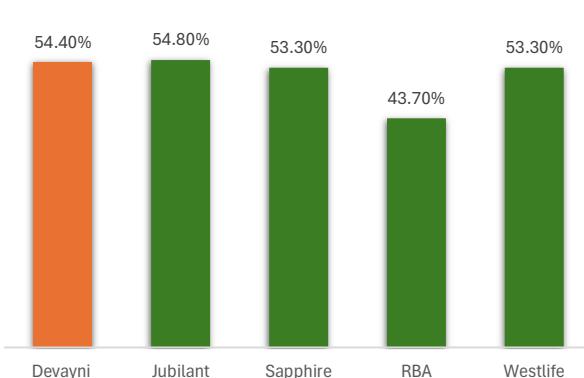
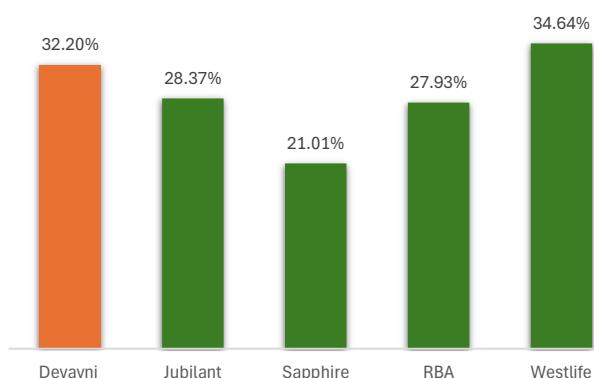
**Exhibit 86: Calculation of Terminal Value**

<b>Calculations of Terminal Value</b>	
FCFF (n+1)	131.70
WACC	12.84%
Terminal Growth Rate	6.00%
<b>Terminal Value</b>	<b>1925.44</b>

**Exhibit 87: Calculations of Equity Value per share**

PV of FCFF	454.42
PV Terminal Value	1118.01
<b>Value of Operating Assets (EV)</b>	<b>1572.43</b>
Add: Cash	85.14
Less: Debt	674.00
<b>Value of Equity</b>	<b>983.57</b>
No. Of shares	120.59
<b>Equity Value per share</b>	<b>8.16</b>
Share Price	155.75
Discount/Premium	19.09

**Exhibit 81: Chart of PE and EPS****Exhibit 82: Peer Comparison (EV/EBITDA)****Exhibit 83: Peer Comparison (PE Ratio)**

**Exhibit 84: Peers Comparison of Stock Performance****Exhibit 85: Peer Comparison (Gross Margin)****Exhibit 86: Peer Comparison (EV/EBITDA)****Exhibit 87: Peer Comparison (PAT, In Cr.)****Exhibit 88: Peer Comparison (EBIT, In Cr.)**

**Analyst Coverage**

Sr. No.	Date	Research House	Recommendations	Price at Recom.	Target Price
1	19-Apr-24	<b>Trendlyn Stock Report</b>	Hold	185.57	186
2	19-May-23	<b>Sherkhan</b>	Buy	178.85	215
3	8-Nov-23	<b>Motilal Oswal Securities</b>	Buy	187.00	220
4	8-Nov-23	<b>HDFC Securities</b>	Reduce	187.00	115
5	7-Nov-23	<b>Sharekhan</b>	Buy	188.00	230
6	10-Oct-23	<b>HDFC Securities</b>	REDUCE	218.00	115
7	5-Sep-23	<b>Sharekhan</b>	Buy	215.00	252
8	24-Aug-23	<b>HDFC Securities</b>	Reduce	190.00	115
9	16-Feb-23	<b>Kisan Ratilal Choksey Shares and</b>	Buy	153.00	230
10	21-Dec-22	<b>Sharekhan</b>	Buy	87.00	231
11	4-Nov-22	<b>Kisan Ratilal Choksey Shares and</b>	Buy	183.00	230
12	3-Nov-22	<b>Motilal Oswal Securities</b>	Buy	183.00	220
13	4-Aug-22	<b>Kisan Ratilal Choksey Shares and</b>	Buy	184.40	230
14	6-May-22	<b>Kisan Ratilal Choksey Shares and</b>	Buy	161.10	230
15	4-May-22	<b>IIFL</b>	Add	171.00	200
16	3-May-22	<b>Dolat Capital Market</b>	Buy	171.00	204
17	3-May-22	<b>Edelweiss Capital</b>	Hold	171.00	187
18	3-May-22	<b>Motilal Oswal Securities</b>	Buy	171.00	210
19	2-May-22	<b>Emkay Global Financial Services</b>	Buy	171.00	210
20	2-May-22	<b>Ambit Capital</b>	Sell	171.00	97
21	10-Feb-22	<b>Edelweiss Capital</b>	Hold	180.00	187
22	7-Feb-22	<b>Ambit Capital</b>	Sell	179.00	84
23	7-Feb-22	<b>IIFL</b>	Add	179.00	200
24	7-Feb-22	<b>Edelweiss Capital</b>	Hold	179.00	187
25	6-Feb-22	<b>Motilal Oswal Securities</b>	Buy	179.00	210
26	5-Feb-22	<b>Kisan Ratilal Choksey Shares and</b>	Buy	178.50	230
27	5-Feb-22	<b>Emkay Global Financial Services</b>	Buy	179.00	210
28	30-Jan-22	<b>Emkay Global Financial Services</b>	Buy	168.00	210
29	27-Jan-22	<b>Edelweiss Capital</b>	Hold	170.00	187
30	4-Dec-21	<b>Kisan Ratilal Choksey Shares and</b>	Buy	153.60	220
31	3-Nov-21	<b>Kisan Ratilal Choksey Shares and</b>	Buy	140.00	163
32	2-Nov-21	<b>Ambit Capital</b>	Sell	125.00	87
33	26-Oct-21	<b>Ambit Capital</b>	Sell	117.00	81

## **Disclaimer**

*This document is solely intended for educational purposes and does not advocate for any buying or selling decisions. The information presented is sourced from the company's annual reports and reliable sources that can be verified.*

*The author is not a registered investment analyst with SEBI. This report is created as part of an academic project. Investing in securities carries market risks; investors are advised to carefully read all related documents before making any investment decisions. The securities mentioned are for illustrative purposes only and are not recommendations. SEBI registration and NISM certification do not guarantee the performance of intermediaries or assure returns to investors.*

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