

RBA

Q3 FY23

India

- SSSG for 9 months was 28% and 8.6% in Q3.
- Gross profits at 66.4%
- No of restaurants: 379 and opened a net of 45 restaurants in Q3 FY23.
- Guidance for the year is 390 which will be met, they also closed 12 restaurants in Q2 but still the goal will be met.
- Next year's store target is 470.
- This year SSSG to be 25%, next year aiming for 7-10% SSSG
- 23 in construction and 40 more in Pipeline.
- BK cafe at 252 cafes, added 72 this quarter
- ADS was down but the revenue trajectory was met due to stores being opened. Current ADS: 120,000.
- The ADS fell from 127,000 to 120,000 because the traffic in december hasn't been good while in general december is a strong month.
- Can expect double digit ebitda margins from FY25 onwards
- Cafe ADS is about 7-8000 which should improve going forward. Even with ADS like this, the payback period is 2 years.
- They opened 18 cafes last year and 240-250 cafes this year. The 18 cafes are doing ADS of 2x of the average ADS, meaning they are doing around 14,000-15,000.
- Goal is ADS of 200,000 in the future but will take a lot of years. The average tenure per store is 3-3.5 per year and once it matures to around 8-10 years, we will see high ADS

Indonesia

- Indonesia side 4 Popeyes restaurant opened and globally the best response ever for Popeyes.
- Going to open 30 more( includes both the brands) by March 31st 2024
- In Burger King of Indonesia, 30% of sales come from chicken, and they believe they can double the business to 60-70%. Recently launched a spicy version of chicken as well.
- Indonesia is at 179 stores and the ADS in Indian rupee terms is 96-98K
- Not looking at Burger King Indonesia for substantial growth in the coming year(2024) and focus will be to turn the existing portfolio around.
- Indonesia revenue at 153 crores, 28 crores loss but that includes the cost incurred to launch the brand Popeyes.
- ADS of the first 4 months of the 4 stores opened in Indonesia are 3x of burger king Indonesia ADS
- Indonesian recovery lags by 2-3 quarters.
- Drop in gross margins because of increasing discounts and promotion to aggressively market.

## Q4 FY23

### India

- Store count at 391
- 15 under construction and 38 in pipeline
- 450 stores is the goal for FY24 and 700 by FY26
- BK cafe at 275
- Gross margins are steady at 66.4%, the goal is to improve it by 2% over the next few years.
- Media spend will remain at 5%
- 40% of the stores are around 2-3 years old or less, as they mature the traffic will come in. This is the reason behind a SSSG of 10% for the next 2-3 years.
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### Indonesia

- Store count is 186, 176 are BK.
- Gross margins at 58% vs 56% last year.
- 10 popeyes store in which the volume is 2.5x to 3x of a burger king in Indonesia
- Going to build 25-30 stores in the year.
- Goal for FY24 is cash break even. Not looking at Burger king for growth this year
- BK's goal for FY26 is 325 stores in total(100% increase) which will lead to 1000 stores for India and Indonesia.

## Q1 FY24

### India

- revenue = 422.1 crores  
422.1/396/120,000 gives 88 days a quarter.
- Store count at 396
- ADS back to 120,000
- BK cafe at 286
- ADS around 8K now
- Gross margins at 66.5%
- Store EBITDA at 8%
- Co. EBITDA at 2.4%
- SSTG or same store transaction growth which is for dine inn only, was up 10% this quarter.
- Despite pushing the 99 price product, they have been able to maintain their margins because BK cafe has been growing sales and that comes at a higher margin.
- Q2 is expected to be moderate due to extended shower season and demand yet to fully recover, but world cup and mall revival will help meet the SSSG guidance of 10%
- Won't give margin guidance but operating leverage will come into play with SSSG and increasing ADS
- Average square feet of a store is 2400 square feet.
- They believe that the BK Cafe cannibalizes their carbonated product so they calculate the ADS as incremental ADS which is subtracting the possible cannibalisation. BK cafe has reached 15,000-16,000 ADS but incremental they consider 8000 as the balance could be from carbonated drinks.

## Indonesia

- Indonesian stores at 169, closed 7 as a strategy to rationalize.
- Popeyes at 10 but ADS went from 50 million IDR mn to 39.4 IDR mn this quarter, due to the stabilization after market launch.
- 1 store built so now 11 and 5 under construction.
- This quarter SSSG of 5.5% for BK due to product additions and rectifications
- Popeyes is doing 2x the sales of a burger king with high ebitda.

## Q2 FY24

### India

- Revenue is 453.5 crores.  $453.5/404 = 1.12$  crores per store.
- days= 88.8 days.
- SSSG growth at 3.5%
- Gross margins at 66.8%
- ADS increased from 120K to 126K
- Store count: 404. 10 stores opened while 2 closed, net 8 addition.
- BK cafe: 297
- 46 restaurants under construction, to reach 450 by Q3FY24
- Revising SSSG to 6% due to challenging industry for the first 2 quarters.
- H2 should be 9-10% SSSG
- Mature store's ADS is 20% more than a new store.

## Indonesia

- SSSG at 6.5%, SSTG at 17%
- 162 stores: Closed 17 underperforming restaurants.

- Restaurant level break even achieved.
- Popeyes ADS at 26.3 mn
- Popeyes at 12 stores, to add 13 more by Q3 FY24
- Popeyes capex is 400,000 dollars for setting up a store.

## Q3 FY24

### India

- 445 crores, SSSG of 2.5%
- 38 restaurants opened, with more opening after the quarter ended. Store count at 452
- BK cafe: 334
- Gross margins at 67.1%
- ADS was 1.19L
- Opening King stores which are basically consisting of ordering kiosks and digital things like that. Rn 68 stores are king stores, plan is to make 100% of the stores king store by next year or soon. Incremental capex of opening a king store is 10L

### Indonesia

- There were geopolitical headwinds which caused some problems. ADS at 17.8 mn for BK.
- 162 stores, one closed
- Popeyes ADS at 23.3 mn
- 25 stores of Popeyes
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