Date: August 11, 2026

To,

The Manager Listing Department **BSE Limited,** P.J. Tower, Dalal Street Mumbai – 400001 Maharashtra, India ***Scrip Code: 543283***	The Manager Listing & Compliance Department **National Stock Exchange of India Limited** Exchange Plaza, Bandra-Kurla Complex Bandra (East), Mumbai 400051 Maharashtra, India ***Scrip Symbol: UFBL***

Dear Sirs,

Subject: Transcript of Earnings Conference Call held on August 4, 2026

Pursuant to Regulations 30(6) and 46(2)(oa) read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose the transcript of Earnings Conference Call held on Tuesday, August 4, 2026 at 05:00 PM (IST), post announcement of Financial Results of the Company for the quarter ended June 30, 2026. The audio recording of the said Earnings Conference Call along with the Transcript have been uploaded on the Company's website at www.unitedfoodbrands.in under Investors section.

This is for your information and records.

Thanking you.

Yours faithfully,
For United Foodbrands Limited
(Formerly known as Barbeque-Nation Hospitality Limited)

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Company Secretary & Compliance Officer
M. No: A27475

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United Foodbrands Limited

(Formerly known as Barbeque-Nation Hospitality Limited)

Earnings Conference Call

Q1 FY27

August 4, 2026

Management:

Kayum Dhanani	:	Managing Director
Rahul Agrawal	:	Chief Executive Officer & Whole Time Director
Amit V Betala	:	Chief Financial Officer
Bijay Sharma	:	Head - Investor Relations

Moderator: Ladies and gentlemen, good day, and welcome to the United Foodbrands Limited Q1 FY27 Earnings Conference Call hosted by MUFG Intime. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Mr. Bijay Sharma from United Foodbrands Limited. Thank you, and over to you, Mr. Sharma.

Bijay Sharma: Thank you. Welcome everyone, to United Foodbrands Limited Q1 FY27 Earnings Conference Call. For today's call, I have with me Mr. Kayum Dhanani - Managing Director; Mr. Rahul Agrawal - CEO and Whole Time Director; and Mr. Amit Betala - CFO.

Before we begin, I would like to remind that some of the statements made on today's conference call may be forward-looking in nature and may involve risks and uncertainties. Kindly refer to our earnings presentation for a detailed disclaimer. The results and earnings presentation have been uploaded on the websites of the stock exchanges and our website and are available for anyone to access.

We'll begin this call with Mr. Dhanani sharing his perspective on the quarter, followed by a detailed discussion on operating and financial performance by Mr. Agrawal. We'll then open the forum for questions.

I'll now hand over the call to Mr. Kayum Dhanani. Thank you, and over to you, sir.

Kayum Dhanani: Thank you. Good evening, ladies and gentlemen, and thank you for joining us for Q1 FY27 earnings conference call. Over the last 2 quarters, we have consistently demonstrated that the strategic and operational initiatives we have been executing are translating into stronger business performance.

Q1 FY27 builds decisively on the momentum and in many ways, marks an important milestone for Barbeque Nation. This has been our strongest operating quarter in recent years with multiple performance benchmarks being achieved simultaneously. More importantly, the momentum is broad-based.

Every business segment, every channel and every geography has contributed to our growth, giving us confidence that our performance is underpinned by structural improvements rather than isolated factors.

Let me briefly highlight some of the key numbers. Consolidated same-store sales growth for the quarter was 28.7%. Consolidated revenue grew 43.4% year-on-year to INR426 crores. Dine-in transaction volumes increased by 63.5%, accelerating further from strong momentum we witnessed in the previous quarters.

Our delivery business also continued its excellent trajectory growing 62% year-on-year. Pre-Ind AS adjusted operating EBITDA margin improved to 8.1%, reflecting a year-on-year growth of

152%. Within the portfolio, Barbeque Nation India delivered same-store sales growth of 33.5% supported by dine-in transaction growth of 68.6%.

Our international business continued its strong performance with revenue growth of 46.6% and same-store sales growth of 8.5%. Our premium casual dining restaurant business delivered revenue growth of 36% with same-store sales growth of 13.6%, while continuing to maintain healthy restaurant operating margins.

While these numbers are encouraging, what gives us greater confidence is what they represent. Over the several years, we have invested patiently in strengthening our customer value proposition, deepening our captive customer ecosystem, building a more efficient supply chain, improving restaurant operations and developing a diversified multi-brand portfolio.

For some time, we spoke about building these capabilities. Today, we are beginning to see the cumulative impact of these initiatives reflected consistently in our performance. Importantly, this growth is being delivered alongside stronger profitability and healthier unit economics. Our mature restaurant operating margin reached 16.2% during the quarter, demonstrating that we are not pursuing growth at expense of return. Instead, we are building a business that can sustainably deliver profitable growth while continuing to invest for the future.

Another encouraging aspect of the quarter is the continued strength of our diversified portfolio. Barbeque Nation remains our anchor growth engine, our international operations continue to scale profitably and our premium casual dining brands are delivering healthy growth while maintaining robust margins. Together, these businesses provide us with multiple growth drivers and greater resilience across market conditions.

Looking ahead, we remain optimistic while also remaining disciplined. We recognize that the exceptionally strong same-store sales growth reported this quarter creates a higher base. And as the year progresses, reported growth rates will neutralize moderately. We view this as a mathematical consequence of stronger comparatives rather than any change in underlying consumer demand.

Our priorities remain unchanged. We will continue to focus on driving healthy transaction growth, strengthening restaurant level economics, enhancing customer engagement and expanding our network in a disciplined manner. We remain confident in our expansion plans, which continues to be funded largely through our internal accruals, reflecting the strength of our cash generation.

Finally, I would like to acknowledge our restaurant teams and colleagues across all our support functions. The performance you see today is the outcome of several years of disciplined execution, resilience and unwavering commitment from our people, who have helped to build a strong organization, and this quarter reflects the quality of that collective effort.

While we are encouraged by the strong start FY27, we believe the opportunity ahead remains significantly larger. We will continue to execute with discipline, remain focused on creating long-term shareholder value and build on momentum we have established over the past 3 quarters.

With that, I will now hand over to Rahul, who will take you through the operating performance in greater detail. Thank you.

Rahul Agrawal: Thank you, Kayum. Good evening, everyone, and thank you for joining us today. I'll walk you through the operating and financial performance and our outlook for the year. Q1 FY27 has been a strong quarter across every dimension of our business. Consolidated revenue for Q1 stood at INR426 crores, growing 43.4% year-on-year.

Consolidated same-store sales growth was 28.7% on top of the 14.4% we delivered in Q4 FY26. Our growth continues to be entirely volume led. We have not taken any price increase during Q1, and our average per coverage spend continues to reflect changes in business segment mix, daypart and session mix and value-led initiatives that we started from Q2 FY26.

Consolidated dine-in transaction volumes grew 63.5% year-on-year. This is meaningfully higher than 43.4% we delivered in Q4 FY26 and reflects the compounding of the customer acquisition and engagement work we have been doing over multiple quarters.

Let me dive into each of our business segments. Barbeque Nation India delivered another exceptional quarter. Same-store sales growth was 33.5% Revenue growth was 43.4% and dine-in transaction volumes grew 68.6%. Every metrics were higher than the strong Q4 FY26 levels.

The strategic interventions we have been building for several quarters are now scaling meaningfully. Our value-led campaigns during some dayparts, the food-led occasions we have created, our Big Buffet format in Tier 1 and Tier 2 markets and our sustained investment in each captive digital engagements are yielding very positive results.

Our monthly active users on our digital platform have grown to approximately 1.4 million, which is up by almost 60% year-on-year. Our captive digital ecosystem contributes to 65% of overall Barbeque India dine-in transactions, up from around 61% in Q4 FY26.

Approximately 90% of our dining volumes continue to come from our own captive channels, that is our app, our website, our reservation call center and walk-ins to our restaurants. This captive demand architecture is a structural feature of our business, and Q1 FY27 shows its deepening further.

Barbeque Nation International delivered another strong revenue growth of 46.6% year-on-year with same-store sales growth of 8.5% and dine-in volume growth of 45.2%. Gross profit grew 40.3% and pre-Ind AS restaurant operating margins grew year-on-year by 22% with restaurant operating margins of 18.7%.

During the quarter, we added 1 new restaurant in UAE. Delivering this level of performance against the backdrop of ongoing Middle East geopolitical situation is a very strong outcome and reflects the operational discipline and execution quality of our teams on the ground. Our international business continues to operate with the strongest unit economics in our portfolio. This is despite the fact that Q1 restaurant operating margin came in at slightly softer than typical levels. This is mainly due to the impact of higher food inflation for a large part of our input categories. While this is linked to the ongoing and uncertain geopolitical crisis, we're taking efforts to reduce the impact of this in our overall business. We continue to focus on building volume-led growth in our international business also and believe that short-term margin impact will correct over time as situation normalizes.

Moving to our premium CDR business. The premium CDR business delivered around 36% revenue growth with 13.6% same-store sales growth and around 40% dine-in volume growth. During Q1, we added 1 premium CDR restaurants and closed 1, ending the quarter with same total network. Our mature premium CDR restaurant continue to deliver restaurant operating margins of upwards of 20%. The Q4 FY26 cohort of new restaurants is now progressively maturing through FY27 and is expected to lift the segment restaurant operating margin as we move further in the year.

And across all 3 engines, Q1 FY27 marked the third consecutive quarter of every segment and every channel growing at healthy double-digit rate simultaneously. We closed Q1 with 266 restaurants with 5 new additions during the quarter. As of today, we have 15 restaurants that are under construction, and these will operationalize through Q2 and Q3 of this financial year. Our new store pipeline is also healthy, and we believe that our FY27 expansion trajectory is well on track.

I'm moving to financial section now. Pre-Ind AS adjusted operating EBITDA margin for Q1 came in at 8.1%, which was around 350 basis points higher than Q1 of last year. On a sequential basis, also pre-Ind AS adjusted operating margin have increased from around 5.5% in the previous quarter to 8.1% this quarter. This reflects the operating leverage that we've been always talking about through our investments that we made in the previous year.

Let me also walk you through the subcomponents of this margin profile. First, our gross margin. I think gross margin has begun to improve. On a sequential basis, our consolidated gross margin improved by approximately 30 basis points versus Q4 FY26. More importantly, Barbeque Nation India gross margin improved by approximately 130 basis points, which is reflecting the beginning of recovery from the value-led investments that we observed in Q4 FY26, combined with the procurement and scale benefits. This was partially offset by International segment where gross margin was softer due to the Middle East crisis-related inflation impact that I just mentioned earlier. Premium CDR gross margins have been steady and at healthy levels.

Secondly, our matured portfolio ROM, we have seen this continue to improve. Q1 FY27 matured portfolio Pre-Ind AS restaurant operating margin came in at 16.2%. This was again around 290 basis points higher than Q1 of last year. This single metric, I think, depicts the strength of underlying unit economics. Every incremental rupee of same-store sales growth is flowing to our restaurant profitability at a healthy rate. And this is a structural operating leverage in our business that we've been building on. The margin expansion is despite the lower gross margin on a year-on-year basis. This is despite the higher investments in marketing spend that we have done, inflationary pressures that we saw from energy and manpower cost. And also, when compared to last year, the share of delivery business has increased by around 2 percentage points.

Third, on the margin profile on our new restore portfolio has also increased, which is accelerating our overall payback periods of restaurants. Our new restaurant portfolio reported 6% pre-Ind AS restaurant operating margin, which is the highest that we have seen in the last few quarters. We have done 5 additions this quarter and the FY26 cohort is also maturing well. The drag from this portfolio will also reduce over a period of time. The gap between matured portfolio and the consolidated operating margin have also reduced to 1.6% versus 1.8% in the previous quarter. The overall impact of the growth levers is an expansion of around 310 basis points in our consolidated pre-Ind AS restaurant operating margin, which has increased from 11.5% in Q1 of FY26 to 14.6% in Q1 of FY27. On an absolute basis, overall restaurant operating margin increased by around 82% on a year-on-year basis.

Lastly, I think our back-end cost is also delivering operating leverage as revenue is scaling. We have mentioned in the previous call that our back-end cost has increased because of investments that we have made in our culinary team, marketing team, digital and central capabilities. I think these as a percentage of revenue has stepped up in the last quarter. In Q1, we have seen that operating leverage working in our favor. Our back-end cost as a percentage of sales have reduced from 7.1% in Q4 FY26 to 6.5% in Q1 FY27.

Moving to our balance sheet and cash flow. I think our net debt position has moved marginally up from INR102 crores at the end of FY26 to INR106 crores at the end of Q1 FY27. This is marginally higher due to the investment that we have made in our capex and also the ongoing pipeline that we have.

I think the capital allocation discipline is unchanged. We'll continue to fund expansion largely from internal accruals, and we'll keep the borrowings at prudent levels related to the underlying business profile that we have.

Moving on to outlook for the year.

On same-store sales growth, as Kayum mentioned in his opening remarks, we are conscious that the same-store sales growth will moderate as we move through FY27. This again, is more mathematics than our comment on demand. Our comparable base tightens meaningfully as we move through the year with Q3 FY27 and Q4 lapping on to our strongest quarter of FY26. Our focus will continue to remain on building up healthy volume growth on top of the business that we have already built at scale.

On margins, our approach to FY27 is to continue building on unit economics improvement that we are demonstrating. I think the gross margin recovery in India, the mature portfolio restaurant operating margin improvement, the improvement in margins of our new store cohort and operating leverage in the back-end cost space. Each of these is directional levers that we expect to continue delivering throughout the year.

On network expansion, we continue to remain on track. We are committed to reaching 300 restaurants by FY27, and we'll build our portfolio from there. And the pace will continue to be disciplined and calibrated, and we'll not chase store count target at the cost of underwriting discipline.

On capital allocation also, our priorities remain unchanged. I think we continue to fund our expansion largely from internal accruals. We'll continue to invest in our multi-engine portfolio that we have built.

Overall, we'll continue to focus on building volume-led growth and deepening our captive demand architecture. This is the operating discipline that has helped us to deliver Q1 of this year and the same discipline is that will guide us through the rest of the year.

To summarize, the business has reached a new operating scale. The unit economics are stronger than what we have seen ever. Our multi-engine portfolio is working very well, and we'll build forward from this base with the same discipline.

Thank you. We can open the lines for questions now.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from the line of Viraj Mehta from Enigma Small Opportunities Fund.

Viraj Mehta: Congratulations, Rahul and entire team of Barbeque for an absolutely outstanding performance. Rahul, just had one question. Post the introduction of Big Buffet and the success that you have seen, in terms of the number of new markets that it opens up like Tier 3, Tier 4 markets, which probably could not take the price point earlier, but can take Big Buffet price point. In your view, how much more market does it open up for you, which probably wasn't really a market for you 2 years back?

Rahul Agrawal: Thank you, Viraj. I think this is a good question. As you know, 2.5-3 years back, we were struggling in our Tier 2, Tier 3 markets portfolio, and we have been working to see how we can change our operating model. Frankly, we have taken the same operating in metro markets to these markets. And we have experimented it. We have enough data for almost 6 quarters now. We are doing a mix of strategy. In some places, we are doing exclusively only Big Buffet and, in some cases, we are doing mix of both Big Buffet and regular buffet that we do.

And frankly, in my view, if there are 700 districts that we can look at, the Big Buffet model, we have taken to some markets where the population is as low as 3 lakh people. Overall, if I look at the dynamics that we have with respect to the metro markets, the Tier 1 markets and the Tier 2, Tier 3 markets, I think at the current scale, the brand, which is Barbeque Nation India can take it up to around 600-odd restaurants.

Viraj Mehta: Sure. So earlier, what you thought was like the upper end of 400, 450 restaurants. Now you think we can go to 600 restaurants with Big Buffet?

Rahul Agrawal: Yes. And this is the current number. I think one of the other things that we have seen is that our penetration in some of the cities have also been increasing very well. There are markets where we're only operating 1 restaurant and we're operating very profitably. As we've expanded to 2 and 3 restaurants, we have not seen the first restaurant economics deteriorating. Classic example is a city like Visakhapatnam. Just 3 years back, we only had 1 restaurant. In fact, during the period, we opened 2 more. We closed 1. And today, we opened 2 more, and all 4 of them are doing exceptionally well, and we have fifth under discussion right now.

Cities like Visakhapatnam and a lot of state capital, a lot of second, third largest cities are also opening up multi-store opportunities for us. Today, I think with Barbeque India having a portfolio of only 210, I'm not concerned about availability of trade areas to open new stores.

Moderator: The next question is from the line of Pooja Sanghvi from InCred Finance.

Pooja Sanghvi: Congratulations, sir, on a good set of numbers. I wanted to know that what were the key growth drivers for the improvement in SSSG because if we see in the last 5 quarters, this quarter has shown the best of SSSG like almost 2x in some of the areas. So, if you can help me understand for Barbeque India, for Barbeque International and the premium CDR segment, what drove the SSSG?

Rahul Agrawal: I think the underlying strategy is as follows. We were just targeting value-driven volume growth across our business. And this started first in Barbeque Nation India and then taken over to international and also in some manner to premium CDR. The moment we have come up with a great value offer for our guests and that to also weaker dayparts, we increased our marketing spend. Earlier, this used to be approximately 1% or 2%, which has now moved by 1 percentage point higher. And on a higher revenue base, the quantum becomes also larger to ensure that these value initiatives are reaching the customers appropriately through proper campaigns and initiatives.

And third most important part is that we have really invested in our own digital assets which is helping us to convert the demand or the inquiries that are coming inside the system into a real transaction or a sale transaction. All 3 put together has been accelerating. We pretty much started this in Q2 of last year.

We have already started to see the impact of those in the months of September, October. I think that momentum build up in Q3. It carried on in Q4 and it's carrying on in Q1 of this year. What's most exciting is that our average revenue per mature restaurants have now increased to around INR7 crores and obviously, moving ahead at the same pace from this number, it's not easy, but we are seeing that momentum continuing. As I said earlier in my opening remarks, the focus is absolutely clear. We will drive transaction growth. We will drive volume growth, and we'll let other parts of the business settle down on its own. And this is exactly the playbook that we have also taken international business and in some manner in the premium CDR business.

Pooja Sanghvi: Okay. Got that. And sir, one more question. So how much time does it take for the premium CDR restaurants to mature?

Rahul Agrawal: Historically, we have seen around 18 months to around 24 months. That's the time frame. But in premium CDR also was a very South region-specific brand. We started expanding in Pune a few years back. We went to Bombay almost 4, 5 quarters back. We went to Delhi 4, 5 quarters back. A restaurant in a South market like Chennai or Bangalore will mature faster. Expansion in a newer territory altogether like Bombay or Delhi would take some more time to mature. And that's the trajectory where we are in also right now.

Moderator: The next question is from the line of Palak Shah from Entrust Family Office.

Palak Shah: Congratulations on a very good set of numbers. My first question is regarding our matured restaurant margins ahead. What the growth that we have seen a 30% growth on the revenue per store. We have still left with 16.2% reported EBITDA margins pre-Ind AS. Even if I adjust for the 200 of gross delta that has happened over the last 1 year it's still at 18%. So, is it fair to say that at 18% we cap our restaurant margin or there is still some juice left to be extracted from the operating margin point?

Rahul Agrawal: Thanks Palak, this is a very good question. And you're absolutely right about it that with the amount of SSSG that we have seen, which is around 28%, the mature portfolio should have delivered more margins. just pure flow-through math that we always spoke about, if the business would have increased by 28%, our last year base of 13%, ideally should have been around 20%, because the base also shifts. Earlier, you're comparing on, let's say, INR100, now you're comparing on INR128. So overall, we have reported 16%. So, there is a 400 basis points lower than what we should have ideally delivered.

I think this is very clearly driven by 4 factors. One, as you rightly mentioned, last year, our gross margin was higher, and there is an almost 2 percentage point impact on gross margin. Since the SSSG base also compares with last year Q1, our marketing spend last year versus this year is also higher by approximately 1 percentage point.

These 2 factors itself account for around 3 percentage movement in the ideal number that we would have done. The third point is on our mix of dine-in delivery last year versus this year. There's a 2-percentage point incremental change between dine-in and delivery. The delivery comes with an incremental cost of commissions plus packaging cost, which is, let's say, around 30%. There's an impact of around 60 basis points coming also from the change in delivery mix.

And fourth very important point is we're also living in a very high inflationary environment. The energy cost, specifically gas and fuel costs has been really higher versus last year. We also have higher manpower costs due to minimum wage changes that we have seen. And there are some other items which have led to inflation below the gross margin level.

These together has again contributed to around 140-150 basis points. So, these 4 factors together had an impact of around 5 percentage. Ideally what would have been around 20% is actually 16.2% despite the fact that there's a drag for 5% from these factors. I think some of these we are already working on.

And I won't say that the mature portfolio margin caps at 18%. I think businesses go through cycles. Once we are in a slightly favorable cycle, we also see that the gross margin impact is sequentially helping us between Q4 and Q1. Some of these initiatives will help us further.

Palak Shah: When I look at your corporate overheads which is very basic mathematic subtracting your restaurant EBITDA cumulatively minus the reported EBITDA margin, Pre-Ind AS EBITDA and the number has jumped up by 32% on a Y-o-Y basis ideally in a high SSSG area would have expected a much larger operating leverage there. So, just part of this because of the A&P spend or there is some initial investments that you are making for a faster growth in other segments?

Rahul Agrawal: All the A&P spends are actually sitting in our store cost. Our restaurant operating margin is after all these. There's nothing to do with that. As we mentioned in the previous call also that we actually continue to invest in our back-end capabilities also. We have beefed up our culinary team. We have a new Chief Culinary Officer joining. Under them, we have created regional spocs for our culinary heads. We earlier had spots for operations, but not entirely for culinary. We have built in approximately 4 senior people all joining us from 5-star hotels with good culinary backgrounds with an experience of around 20 years.

We have beefed up our marketing team since we're making this investment, we have beefed up our investments in our brand team and digital team. We also strengthened our core tech digital team, which is on our app and website.

We have also invested in some of the other specific functions where we found that needs specific areas of improvement because the business at scale and one improvement on, let's say, INR1 of improvement per cover will add close to INR1.5 crores of annual cost impact. these investments have been done.

I think the right metrics to track is how did Q4 last year versus Q1 this year. We are broadly on track. The only impact would be increments which happen in the April month in our company. Other than that, I think this is a normalized level. We'll continue to invest in these positions if you believe that this particular segment of the business or area of the business requires a dedicated focus, and we'll not shy away from that to build. Our focus today is build volume growth, build scale and simultaneously also keep focusing on extracting cost-saving initiatives, efficiency initiatives and thereby deliver margins.

Palak Shah: You mentioned that the TAM for Barbeque India is ideally 600 stores. Does it expedite your store expansion plans given that your model is better now and you believe that is scalable or you still believe in a more measured expansion over the next 5, 6 years in the decade?

Rahul Agrawal: Overall, this year to achieve a target of, let's say, 300 restaurants, we are adding 40 restaurants. Last year, we added around 35. We are also making investments in our business development team, our projects team, the legal team for these areas. That's continuing. That's why today, with respect to the strong under construction pipeline that we have on the new store pipeline in the early stages is there, I feel that we'll keep adding more and more if we get a good site at rental that we like. I think overall, yes, there is a larger TAM. And yes, there is an opportunity to build it at the right scale given that unit economics also holding up pretty well. And we will continue to make those investments to maybe accelerate the pace if the site that comes to us justifies that. I don't need to hold back anything for that.

Moderator: Thank you. The next question is from the line of Dhwanil Desai, Turtle Capital.

Dhwanil Desai: Congratulations on a fantastic set of numbers and execution. So, my first question, Rahul, is that you alluded to that the mature stores are already doing INR7 crores per outlet kind of a number. Now looking, let's say, 1 year out, if you have to grow on that base I think in the earlier cycle, we were doing around similar numbers at the peak. So, what are the levers that you have to move from, let's say, INR7 crores to INR8 crores? If you can elaborate on that, that would be very helpful?

Rahul Agrawal: Our levers are very simple. We are just focusing on building up volume growth across all our restaurants. And to build that, we have a focused strategy by daypart, by sessions. The team has data insights to understand which restaurant is not working on, let's say, Monday lunch or the second session of, let's say, Tuesday dinner. The team is structured like that. And our inquiry system that comes in either on our digital platform or on our call center, resolution call center, also tweak some of these with respect to ensuring that the volume is built up. We obviously also have a dedicated defined metrics for where the offer will go up to. And this is the way that we are building it. That is one big lever that we have.

Since beside all this, we have not taken any price hike in our business. We are also impacted by inflation a bit. But at the right moment, we will take that also. We will not do anything which impacts our volume growth momentum that we are building. If you feel that the momentum, the volume has stabilized now on a larger base and in some of the places, the volumes have stabilized and there's opportunity to take some price hike, we can take that in those. But that's also a very selective decision based on that unit level itself.

The other one is delivery. Our delivery business has also grown very well. The only impact on delivery is that the flow-through to the growth is lower because delivery also comes at a cost of higher marketing spend, slightly higher food cost as per our system and packaging costs and also commissions.

On the revenue bit, as long as it is incrementally generating absolute EBITDA for us, we are okay to do that. And overall, I think one number that I can tell you is that our average performance throughout the entire, quarter is still, let's say, lower than what we do in last 2 weeks of December, when the business is really good.

We are looking at that gap and saying, look, there's an opportunity, there's a customer who's dining out somewhere. Why can't they come to Barbeque Nation because the value proposition is super strong. Whether it goes to 8% or 8.5% or 9% or 7.5%, look, I don't know that right now. Our focus is absolutely clear. We will continue to build on volume growth and let everything else settle for itself.

Dhwanil Desai: Got it. Very clear. Second question is, I think this year, how do we look at going to double-digit EBITDA margin on a pre-Ind AS basis? Do we have a kind of line of sight for that or what are the things that need to be falling in place to get to that number?

Rahul Agrawal: Look, I believe moving ahead in the right direction and focusing on our overall business economics. And rather than chasing a number, I think we should look at what are the margin levers and are we moving in the right direction. I think these margin levers in our view is very clear. One is gross margin recovery. We have seen that happening in the previous quarter.

Our restaurant operating margin of the mature portfolio should expand. Our new store cohorts should also mature appropriately. I think given that a lot of new store expansion is happening in Barbeque Nation, where the path to maturity is faster, so that should help. And the operating lever back-end cost, which should also help as revenue scales up. I think all of these levers are moving in the right direction.

And our performance in the previous quarter is just confirming this. We'll continue to report on each of these levers as we move. And I believe the margin will be an outcome that we follow from these levers.

Moderator: The next question is from the line of Kaivalya Baing from IIFL Capital.

Kaivalya Baing: Yes. First of all, congrats on a great set of numbers, sir. Sir, my first question, I just wanted to touch upon delivery. So delivery, we have seen a very strong growth. I mean I understand that the overall growth has been strong in general. But are there any specific initiatives that we are taking out for delivery? Because I'm assuming that since we are more dine-in focused, our marketing initiatives would be more oriented towards driving those sort of dine-in volume growth. So anything specific on that?

Rahul Agrawal: Yes. on delivery, one, whatever marketing initiatives that we have done also have, to some extent, double impact on delivery. Our consumers know that we also do delivery from our stores, we are doing it for now almost 7, 8 years. So, more marketing campaigns, while they are all towards dining business also bring in a very good brand recall which converts into a delivery transaction for us. Specifically on delivery also, we have continued our focus on building up transactions and on value Specifically, we have 3 brands that we operate.

One is Barbeque Nation, which is focused more towards starters and tikkas. Second is BBQ, which is more towards meals and bowls. And third is Dum Safar, which is for biryani. Across all of these platforms, we have launched value SKUs, and they have done extremely well in most of these restaurants.

We have also run various campaigns for these SKUs, specific SKUs for various dayparts, which are not performing so well. For example, the item called Bachelor Biryani in Dum Safar, which does extremely well during weekday lunch session because the price points are starting from as low as INR129 for veg format and going up to maybe INR250 for a non-veg item. These initiatives have helped. We also increased our marketing spend on the platforms to get delivery. It's a mix of all of these 3 items that I spoke about, which has given us fantastic results on delivery.

Kaivalya Baing: Got it. And sir, you mentioned that we focus, I mean, dialed down on the value initiatives from Q2 FY26. That's correct, right?

Rahul Agrawal: Yes.

Kaivalya Baing: Okay. Secondly, sir, now just to recall to the commentary in Q4, so we were optimistic on a, let's say, high single digit to early double digits sort of SSSG, if I'm not wrong. So, are we still firm on that or slightly higher on the optimistic side?

Rahul Agrawal: Our focus remains to build volumes in our business. And all of these volumes are translating into obviously larger average revenue per store, especially in our mature portfolio. I think rather than looking at a number for the full year, what's important is to look at how the overall business action is moving. If I look at last year, I think the story was more around inflection.

And this year, I think the story is more about the business has reached a new operating scale, and we are trying to compound from here. I think more than SSSG, what matters more is our underlying volume growth and our own captive customer engagement that will continue to deepen and the operating leverage that will continue to work for us at scale.

And I believe Q1 has worked across all of these parameters. And this is the direction that we would like to think about in our business. We are obviously very excited about the fact that this is the first time ever that we crossed, let's say, INR400 crores of revenue.

And while the initial beginning of the quarter, we thought we'll cross INR400 crores, but we did about INR425 crores. I think the momentum is building up well. It's continuing in the month of July too. We're just doing our work to build up our volumes and transaction and then SSSG will be an outcome of that.

Moderator: The next question is from the line of Ankit Gupta from Bamboo Capital.

Ankit Gupta: Congratulations for great set of numbers. So, Rahul, on the gross margin front, if we have seen inflation, we are focusing more on Big Buffet, we are focusing more on lunch part. So, on a normalized basis, 1 or 2 years down the line with inflation moderating, how should we look at our gross margins?

The operating leverage will definitely come below the gross margins with the scale-up that is happening and with the growth on the SSSG front. But on a normalized basis, with the kind of focus we have on Big Buffet and all, so how should we look at our normalized gross margins going ahead?

Rahul Agrawal: Gross margin recovery is directionally and I think this has been driven by factors like any pricing change, obviously, inflation, mix of business across, let's say, dayparts. Our pricing on weekday launches is far lower than what we do on weekend dinners, for example. And the value-led investments that is compounding into volumes. We also have procurement benefits that helps and the scale benefits that helps you in sourcing also. The India gross margin is sequentially improved. We are moving in the right direction there. International gross margin was again lower due to inflation and premium CDR is largely intact. I think the current levels of around 66%-67% range is a good operating band and we would expect to move directionally from here over time. Also, our current gross margin of around 66%-67%, let's say, that band, I think reflect 3 things. One is the current level of gross margin is a result of deliberate value investments that we have made in our business, which is by daypart or by sessions to drive volume And as long as these investments are compounding into strong same-store sales growth, we like this, and we are not worried about gross margin.

Second, we have some segment mix impact. Barbeque India, which is at a lower gross margin than, let's say, International and premium CDR is today growing faster than the other 2 segments and it is bringing the consolidated gross margin down. I think it is a good problem to have.

Barbeque India is the flagship brand. And as long as the flagship brand continues to grow at a faster rate than other 2 brands, at least I think a good problem to have.

Third, I think our International business has been softer this quarter. And the Middle East geopolitical situation, we all know that, and the inflation impact there is real. In some cases, we are seeing commodity prices going up by almost 30%-40%. All of these, I think, will taper off as we move sequentially.

And in terms of recovering or coming back to the earlier levels, I think some reversal will happen and some reversal will not happen also. For example, the India gross margin will directionally move better and I think that will happen through some of the levers that we spoke about. International also at some point of time, will find its balance. But the impact of business mix change, which is Barbeque India growing faster than the other 2 segments, will they actually just structurally also keep the gross margin lower we don't know that, but that's a problem that we're not worried about. I think we keep looking at our gross margin by segment. And as long as each segment is growing higher, the mix impact don't bother us.

Lastly, I think, see gross margin also is a headline number. What's also important is how does it flow through your restaurant operating margin and your overall EBITDA. I think those are also moving in the right direction. So, despite the fact that versus last year, the gross margin lower by 2 percentage points, the restaurant operating EBITDA is up around 3 percentage and also this has slowed down overall Pre-INDAS EBITDA margin. And we are more concerned about that absolute number. And as long as the direction is right and the flow-through to bottom line is very strong, we are very happy with the absolute profitability that is maximized.

Moderator: The next question is from the line of Shwetha from ithoughtPMS.

Shwetha: Sir, you had mentioned that this 30% SSSG growth that we saw is mostly due to value-driven customers. Could you give me a sense of the repeat rate on these customers?

Rahul Agrawal: Historically our repeat rates have been very strong. And in fact, since we have started these initiatives, we've also seen that the number of days in which the repeat customer is coming back is also shrinking. I think overall transaction growth is upwards of 60%, which can only happen through a mix of both new customers coming back at a faster rate than previously and also new customer coming back at a faster rate than previously.

Typically, on any particular period, our repeat business is approximately 45% to 47% and the balance is new customers. And during this period of intervention, we're also seeing that our ratio of new versus repeat is actually shifting slightly in favor of new customers. That's also very good because we are adding more and more new guests to our overall pipeline, which will obviously translate into repeat business. Also, just one fact about our repeat business number. In our business, on average bill, we have around 4.3 pax per bill, out of which you only get one mobile number. And the only way to track repeat is that mobile number. The number of repeat business that I'm talking about is actually depending with that metric. But directionally, in the same like-to-like comparison, the repeat business growth rate has been very handsome.

Shwetha: Got it, sir. And my second question is on the improvement of the ROMs of the new stores. So, this has been the highest in like the past 4-5 quarters, if I'm not wrong. Could you just give me a sense of what drove this improvement? And if this will be sustainable for the stores we are opening in the future?

Rahul Agrawal: This is largely driven by expansion of Barbeque Nation in both India and internationally. And the payback profile of Barbeque Nation is faster whenever you open up a new Barbeque Nation, let's say, in existing territories or in new market altogether. We have seen that the brand is known very well. And in fact, in the initial first 2 months, 3 months, we see a real jump in our transaction for people coming and trying. And then it can be tapered off for the next couple of quarters and then again come back. And then as you build up volumes, we also keep working on our initial cost and bring it to the regular track. If you compare with previous quarters, it is largely a mix. More and more Barbeque Nation opening will improve this because the profile of Barbeque Nation reaching maturity is faster than, let's say, premium CDR segment because they're also entering into newer territories. I think as they become mature in those, the brands become mature in those newer territories, I think that impact will also reduce.

Moderator: The next question is from the line of Disha Chamriya from Trinetra Asset Managers.

Disha Chamriya Sir, my question was maybe you have already answered it, but how much was the revenue driven by higher footfall or guest traffic versus higher average order value for this quarter? And what would be sustainable over the medium term?

Rahul Agrawal: The entire revenue growth is driven by more walk-ins in the restaurant. If you look at the headline numbers in our presentation, we have grown our dine-in volume by around 63%, where our revenue growth is around 43%. There, in fact, because of our initiatives, value initiatives, there is a decline in average price points. Those price points is pretty much now stabilized. Whatever we are doing in Q1 is actually very similar to what we did in Q4 of last quarter. That's a normalized number. Despite inflation, we have not taken any price hike. There is some opportunity there, but we're very prudent in terms of taking that and we never take that at the cost of transaction volumes. And that's the way we think about it right now.

Disha Chamriya Got it, sir. And just a small question. Could you please update what is the profitability for the delivery business? Like as the delivery scale, do you expect it to become meaningfully margin accretive or will dine-in continue to remain only the primary earning driver?

Rahul Agrawal: My view is dine-in is more captive for us. And like I've always said, 90% of our business comes from our own captive sources. We are building our own ecosystem of digital sources, our call center, our walk-ins and we are not dependent on any third-party aggregator or suppliers of demand to us. Dine-in becomes and is the core of our growth model. We are obviously not averse to delivery. And as long as delivery is incremental to us and delivering higher margins and higher absolute margins, we'll do that. Delivery is also noncaptive for us. We depend on aggregators for these delivery businesses. On delivery, the margins as long as an absolute basis, it is better. And on the contribution margin level, it's better for us. We'll continue to do that.

Moderator: The next question is from the line of Manjeet Buaria from Saamya Advisors LLC.

Manjeet Buaria: Rahul, first, I would just thank the team for the hard work which has gone in over the last 2 years to improve the value proposition for our customers. I had 2 questions, Rahul. One was once the low base of the previous year is behind us, and I'm talking about India BBQ specifically, what SSSG range is practically possible in this business model of BBQ India, assuming a steady consumption environment and also keeping in mind the constraint of we don't want to really step away from the value focus which we have brought into the business in the last 2 years?

Rahul Agrawal: Like I said earlier also, I think the focus is just driving volume growth. We are today at an average number of, let's say, on BBQ India around maybe 6.5. We are not going to provide that, but my sense is on that, right, because international is higher and premium CDR is slightly higher. The average mature market is around 7.1. The real question to ask is, is there a capacity to take more? Yes, the answer is yes. If you look at our restaurants, do our weekday business as much as weekend business, no. Is our dinner business as much as lunch business? No. We are seeing all of these as opportunities. We are taking efforts to look at all of these sessions and try and build on our volumes. The point is will the growth in Barbeque India business now still happen because you have reached your max capacity? The answer is no. I think also in some of the other dayparts or weekends where we do well, we still don't do as much as we have done in, let's say, peak days of our business. You have been following our Company for quite some time, we know that we have also done changes in our sizes of restaurants.

We have become more efficient there. We're only doing 4,500 square feet, now we are doing it in 3,500 square feet. Last 40 restaurants would have been in this model And despite that, the revenue per restaurant is among the highest. So, we have actually also figured out slotting better. We have figured out how to move demand better with respect to value that the guest needs. I think these are open. And even if we feel that we have a capacity constraint and there is demand, we are very happy to go ahead and open one more restaurant nearby, which will give us that. I think I'm not too worried about SSSG number right now. I think I'm focusing on the team inside is imminently focusing on building up volume. And once the volume happens, we have seen that the operating leverage benefit flows through at various points of time for us. I don't know if that answer your question.

Manjeet Buaria: It does. I'll touch upon this later once more. And I have a second question. You mentioned about some investments which you are making in the back end, right? Are these mainly to support the restaurant growth which you are sort of forecasting or they will also contribute in any way to the gross margins in the longer run, I mean gross margin improvement in the longer run?

And just one housekeeping with it was what is the total capex you expect for FY27, including new restaurants and the back end and the maintenance capex if any for our existing refurbishments?

Rahul Agrawal: On the investments in the back-end team, it is across the level. When we spoke about culinary team, this is largely on the product end of it. How can we make the product offering to the guests better. The culinary team that has come up now is doing that. We have done a lot of innovations inside our kitchen which is helping us. The new shift led driven activities that we do in most of our restaurants is actually also driven by this new culinary team which has come up. This is also into marketing.

This is also in, let's say, our sourcing division, which is now looking at each and every item sourced with a different lens and saying if the business has scaled up, let's say, in terms of volume double of what we used to do 2 years back, how can we get better sources of these things or can we source from an entirely different place and ensure that what lands is offer better quality and better pricing. That will also bring in that gross margin efficiency benefit in our system.

Last but also moved towards tech and digital and our reservation centres. The volume of calls that is coming in needs to be handled in an appropriate manner so that we don't lose on business. And simultaneously we also used some AI inside our business center to make better conversion calls and also beefed up our internal reporting metrics to see that the conversion happening in the right manner. That's on the back-end side. On capex, Amit, do you want to take it?

Amit Betala: Yes, Rahul. We guided previously capex for full year would be around INR140 crores of which INR120 crores to the new outlet openings and INR20 crores towards the maintenance capex and our ancillary capex.

Moderator: The next question is from the line of Aman Vij from Astute Investment Management.

Aman Vij: My question is on the service part. So given the footfall, the way they are growing for the last few quarters, I have been observing, and I wanted your comment on the same that a lot of comments and reviews on our various restaurants where people have been a little disappointed either with the service or the, say, AC and all those things.

What are the steps we are taking to address the same given the footfalls are mostly increasing at the time during the weekdays where maybe even the employees historically, they have not been attuned to this kind of footfall increase and all those things.

And a related question to this also, there was a video recently by a food blogger based on the quality of the food, quality of one of the items that he had done and a very famous food blogger. So there was some issue on the quality. Any comments on that also?

Rahul Agrawal: We're talking about service part. Our business is built across the last 20 years on service. And we stand by that. And we have a very defined mechanism to track how is the service moving across all our restaurants across various dayparts. We have a GSI system where we call back our guests and then take that review and the team on the ground is reviewed on that.

And that number is intact. We did see some blip during the month of April when we had some manpower crisis because of a situation where a lot of manpower from across many industries have moved back to East India for election reasons.

But apart from that, as they came back, as we also build up our manpower, we have not seen that happening. In fact, the guest scores have only been improving over the last 3 months on these counts. Maybe there is, because of disproportionately higher volume, there may be some service impact, but we take that very seriously.

In our own NPS scores that we are seeing over the last 3 months, we have seen improvements on that. It's a continuous process, and we'll keep working on that. Regarding the video we're talking about, I don't know which video is there. As a large brand, we keep spoken about a lot. A recent video just did came up where somebody commented about the chicken quality they have tested in their own labs. Look, we don't know what lab they are tested in and how it has moved. So I can't comment on that.

I think I'll tell you about our process. There are defined FSSAI guidelines on testing and on hygiene on our reviews. We follow all of these. In fact, we have a very strong internal audit team of around 30 people who goes and audits all our restaurants across all these FSSAI points on a monthly basis,

And most of these scores that we are seeing is reviewed and tracked on a monthly basis, even though the FSSAI requirement is not monthly and annual. In terms of lab testing of some of the product, based on the FSSAI requirement, we have to be done twice in a year. We have done that across all and with the NABL accredited labs and all the products that we have been launching are falling under appropriate limits there.

Apart from that, it's very difficult for me to react on somebody on how they've done, we have actually engaged with them, but most of the time once they already put it out, they don't listen to you. So apart from that, I have no other comments to make on that.

Moderator: The next question is from the line of Subhanu Bangal from 3 Head Capital.

Subhanu Bangal: Sir, I have just 2 questions. First on UAE. Are you seeing kind of inflation pressure on UAE business? And second, do you think this Q1 FY27 is set up because I'm asking this question, as you mentioned every time your main focus will be on volume growth, then should I assume this SSSG was one-off?

Rahul Agrawal: On UAE inflation, yes, it's real. I think the inflation impact I also mentioned in the gross margin comment that it has impacted us. In fact, our gross margin is lower by around 3 percentage points, the numbers are in the presentation.

In terms of SSSG, look, I won't comment it is one-off or not. But what I'll comment is that we moved out of a negative territory from Q2 onwards. Q3 was around 8%, which moved to around 14.5% in Q4, which moved to around 28% in Q1. I think the momentum is continuing. The business is now at a particular operating scale, we are just working to command it from here. And as we build volume I think some of the SSSG related numbers will be as it is.

Subhanu Bangal: But how do we tackle with the inflation, if your volume goes up?

Rahul Agrawal: I know that's true. And that will maybe impact our gross margin as it has. But like I said, beyond gross margin, there's also operating leverage. Even though with volume, the revenues goes up and your gross margins are lower, your overall restaurant operating margins and overall consolidated EBITDA margins are better. And as long as the absolute EBITDA margins are better, I'm not too worried about gross margins. And so just to sum it up, the inflation impact is more than offset by the volume growth that we have seen.

Moderator: That was the last question for today. I now hand the conference over to Mr. Omkar Bagwe for closing remarks. Over to you, sir.

Omkar Bagwe: Thank you for attending the call today. We are MUFG Intime, Investor Relations Advisors to United Foodbrands Limited. In case of any queries, please feel free to reach out to us.

Moderator: Thank you very much. On behalf of United Foodbrands Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Note: This transcript has been edited to improve readability and is not a verbatim record of the proceedings.

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