August 06, 2026

**BSE Limited**
**Corporate Relations Department**
Phiroze Jeejeeboy Towers
Dalal Street, Fort,
Mumbai - 400 001
**Scrip Code: 543248**

**National Stock Exchange of India Limited**
**Listing Department**
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**SYMBOL: RBA**

**Sub.: Investors and Analyst Call Transcript**

**Ref.: Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015** *('SEBI Listing Regulations')*

Dear Sir/Ma'am,

Pursuant to the SEBI Listing Regulations, please find enclosed the transcript of the conference call with the Investors and Analysts with respect to Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2026, held on Monday, August 03, 2026 at 5:30 p.m. (IST).

The same is being made available on the website of the Company viz. www.burgerking.in.

Kindly take the same on record.

Thanking You,
**For Restaurant Brands Asia Limited**

SHWETA SUNIL MAYEKAR
Digitally signed by SHWETA SUNIL MAYEKAR Date: 2026.08.06 12:47:32 +05'30'

**Shweta Mayekar**
**Company Secretary and Compliance Officer**
**(Membership No.: A23786)**

*Encl.: As above*

"Restaurant Brands Asia Limited

Q1 FY27 Earnings Conference Call"

August 03, 2026

**MANAGEMENT:** **MR. RAJEEV VARMAN – WHOLE-TIME DIRECTOR AND GROUP CHIEF EXECUTIVE OFFICER**

**MR. SUMIT ZAVERI – GROUP CHIEF FINANCIAL OFFICER AND CHIEF BUSINESS OFFICER**

**MR. KAPIL GROVER – GROUP CHIEF MARKETING OFFICER**

**MR. SANDEEP DEY – BRAND PRESIDENT, INDONESIA**

**MR. GAURAV AJJAN – HEAD OF CORPORATE DEVELOPMENT AND INVESTOR RELATIONS**

**Moderator:** Ladies and gentlemen, good day, and welcome to Restaurant Brands Asia Q1 FY27 Earnings Conference Call hosted by Motilal Oswal Financial Services Limited. This conference call may contain forward-looking statements about the company, which are based on beliefs, opinions and expectations of the company as on date of this call. These statements are not guarantee of future performance and involve risks and uncertainties that are difficult to predict.

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. Please note that this conference is being recorded.

I now hand over the conference to management. Thank you, and over to you.

**Gaurav Ajjan:** Thanks, Pari. Good evening, everyone. Welcome to the Conference Call to discuss results for Q1 FY27. I am Gaurav Ajjan, the Head of Corporate Development and Investor Relations.

As always, joining us today are Mr. Rajeev Varman, Whole-Time Director and Group CEO; Mr. Sumit Zaveri, Group CFO and Chief Business Officer; Mr. Kapil Grover, Group Chief Marketing Officer; and Mr. Sandeep Dey, Brand President, Indonesia.

We will start the call with a presentation and after which we'll open up the floor for questions and answers. With that, I'll hand over to Raj for his opening comments and a business update.

**Rajeev Varman:** Thank you, Gaurav. Thank you, first of all, for your interest and joining your time this evening. I know it's 5:30 PM. It's probably time for you to get home. So thank you for joining the call. I will give you a very quick India overview as well as Indonesia overview. And then I'll hand it over to Sumit Zaveri, who will go through the numbers with you guys.

Now we have 2 businesses, of course, in 2 different countries. And then we also have 2 brands that we operate. So I'll just give you a little perspective. Burger King India, we have 590 restaurants as of June 30. Burger King Indonesia, we have 137 restaurants there and Popeyes Indonesia, we have 25 stores.

Now if you look at the revenue perspective, we have 83% of our business is really Burger King India from a revenue standpoint. 15% of our business is Burger King Indonesia and then 2% of our business is Popeyes Indonesia. So that's the makeup of the revenue of our business.

Now quickly on the India Q1 highlights. Now Q1 has been a very, very, very exciting year, exciting quarter for us and some very good results that we are proud of that we thank our entire team that has worked very hard to kind of deliver those results. So the top line for us is, again, 590 stores, which is 71 year-over-year growth, plus 9 stores quarter-over-quarter growth, which gets us to 590.

Same-store sales growth was 12.6%. This is the highest we have done in the last 15 quarters. In fact, highest that I can remember as far as we go back several years. So congratulations to the operations and marketing team for delivering such a high SSSG number.

Our ADS, average daily sales for this quarter was INR1,31,000 as well. Revenues, INR682 crores, which was 23.6% higher year-over-year same quarter. Gross margin, 70.8%, which is 3.1% over year-over-year and 0.6% quarter-over-quarter. So a very good improvement in gross margin as well. Restaurant level EBITDA, we delivered INR90 crores, which is 68.1% over year-over-year.

Our company EBITDA in India was INR52.7 crores, and that is 133.6% year-over-year. So literally, I'm looking at a green page, SSSG 12.5%, 12.6%, looking at revenues up 23.6% gross margin, 70.8%, restaurant level EBITDA, INR90 crores; and company EBITDA INR52.7 crores. So thanks to the entire team for an exciting quarter.

Now strategy-wise, we haven't changed anything. We will stay steadfast on the strategy that we spoke about in the last several quarters. I'll reiterate, we continue to be a QSR that leads in value leadership here in India. No different.

We continued our pursuit in being that value leader with the 2-for-X strategy, as you've seen us grow from stunner and tasty meals at 99, 2-for-X. So whatever the strategy is, it will all be consistent with our value leadership in the country. So we continued that.

On menu strengthening, we spent a lot of time because we had built a lot of traffic over the last several years. We call this value strategy induction or introduction of new customers into our business. And then we started about last year to start strengthening our core menu as well as our premium side to be effective in terms of our product mix, which saw us this 12.6% kind of a growth number.

So we launched BK Cafe, as you know, in 2022, we continue to build those. Now approximately, actually, most of our restaurants, all if not all of them have a cafe. So Burger King Cafe continues to grow, and we have long-term strategy to make this a prominent part of our menu structure. This year and this last quarter, we also launched some co-branded desserts and shakes, which have started to grow and part of the 12.6% that you see over there.

The burger portfolio, we launched, as you know, premium range Korean and now subsequently, we have launched Peri-Peri, as you saw in July. Both those promotions have been really, really good for the company and has drawn a lot of traffic through those promotions.

One of the other pillars that we have been working on is digital. And as you already know that SOKs, self-ordering kiosks, BK app, 90% of our orders are digital. And this is not only a good foundation for good management within the restaurant, but also you will see that we that in the future, this database that we are collecting through our digital means will become a foundation for the CRM program that we will be launching very soon. So that digital efforts continue here, and I'll speak in a minute about what that means in Indonesia as well.

Profitability-wise, same focus, laser focus. First of all, our capex spending is very disciplined. When we open restaurants, there's a disciplined process of outlaying that capex. So we open good sites and good restaurants so that we continue to grow profitably. So the profitability focus was threefold, right? First of all, we continue to focus on menu, product mix and gross margin.

So gross margin is just not simply a result of increasing price. It's also about a proper shift in product mix and making sure that the product mix that we delivered continues to grow our gross margin. We continue to work with vendors, continue to bring in new vendors. That strategy continues, and we continue to do that through our supply chain initiative.

As you know, that we continue to do a cluster approach every time we build a market. So that supply chain efforts continue in this quarter as well. And you've seen an improvement on our gross margin as well quarter-over-quarter.

Initiative that Sumit Zaveri will speak next, started a few quarters ago was on the utilities front. And he worked very diligently with our teams here and we were able to and we continue to drive efficiencies through utilities, whether it is the installing of new equipment, we installed a new broiler that consumes half the energy of the old broiler.

But we also started the solar farm initiative, which several of our restaurants now are covered under that, and we continue to grow that as well. So we continue with that profitability focus. It's not about just building the top line, but it's a continuous effort to bring efficiency within the top line and the bottom line, which the team continues to deliver on.

Quick word on Indonesia. So the Indonesia, 137 Burger King restaurants delivered an ADS of INR102 -- and I'm putting these in INR so that people here can understand. So INR1,02,000 of ADS. Revenues of total INR124 crores and restaurant level EBITDA was INR6.4 crores. So these Burger King restaurants, they're profitable at the restaurant level, and they delivered a positive EBITDA.

And we are testing a lot of things, and I'll talk to you in a minute on where we are going with the Burger King business. The Popeyes business was exactly where it was when I spoke to you last time. The 25 restaurants still continue to operate there with an ADS of INR69,000. Revenues over there were INR15.7 crores, and we actually had a loss of INR3 crores over there.

Combined losses in EBITDA, restaurant level EBITDA in Indonesia was INR3.3 crores, significant reductions that you've seen, all because of all our strategy that I'll discuss with you. Now the value focus, now we had a 25,000 King Deal program that we were running in

Indonesia for the longest time, which was driving some traffic, but didn't get us the kind of leverage we required in terms of volume.

So we are now testing and probably by the end of September, should be in good shape to launch a new value strategy over there. And I think that's very important for the Burger King business over there, and I'm talking about the Burger King business now. That strategy, once we put that in place, it was one of the missing links that we needed to put in Indonesia.

Now when you look at the menu strategy, it's, we kind of went backwards in Indonesia compared to India, where we built a very strong premium and core menu ahead of the value strategy. And that menu is doing very well. I think we had a few limited time options that we put out, and they were all doing well in Indonesia.

We also had spent a lot of time in the last 3 years building a very strong chicken line. When I say chicken, it's bone-in chicken line, which has climbed from what it used to be 30% of sales to about 50% of sales in the Burger King business. We continue to stay true to that.

We continue to provide different options on that by dunking the BIC, and it becomes a good limited time offering to the businesses. But what we started to do, and I'm saying just 2 quarters ago and more prominently last quarter is to focus on our burger line. The reason we're doing that is our study that we did with the consumers in Indonesia gave us a clear lead on Burger King as a burger brand.

So burgers, when you ask consumers over there, their first choice is Burger King. So we started to promote and our value strategy will include our efforts in bringing burgers into the value platform and driving that business. We also installed self-ordering kiosks for the first time in Indonesia. which has actually pushed our APC, average per check up by about 4%, 5%.

And it is just, we just installed them, so we should see some progress on that as well as we move forward to unlock all the stuff that we have done here in India, but also to set the benchmark for CRM in the future. Our profitability focus in Indonesia continues in the same lines.

Corporate overheads, as you know, we continue to reduce them, and we bought them down by 25%. So we have done a very good job. I think we have kind of reached a point where we have optimized that. We continued to optimize our portfolio there. We closed some restaurants that were nonprofitable. So in all, in the last couple of years, we have reduced that portfolio by 42 to the 137 that we have.

And then delivery profitability is something that we started a few quarters ago. And now we are doing almost the same sales we were doing before, but significantly more profitable in our Indonesia Burger King business. So we continue to stay focused on that, corporate overheads, portfolio optimization, delivery profitability. And now what we are doing is carrying these learnings from India when it comes to the equipment utility bills and the portfolio of -- that can go on to solar farms where we can reduce our utility bills.

So all those will be transferred by our team from here to Indonesia. And I think that will give us a very strong P&L at the current ADSs not that we are looking at bringing in more EBITDA at higher ADSs, which we are working through the value strategy. But at current ADS, we want to bring some efficiencies into the P&L as well. So this is basically the top line strategy. And now Sumit will carry you through the numbers in detail.

So over to you, Sumit.

**Sumit Zaveri:** Thank you, Raj. So Raj has already covered the individual quarterly performance for India and Indonesia. So I'll start with Slide 17, and then we'll go into the details how the quarter-on-quarter performances have moved. As we can see on Slide 17, on a consolidated basis, our store count between India and Indonesia stands at 752, up by 69 restaurants. The entire growth is led by India growth.

Continuing with our overall revenue trajectory growth. On a consolidated basis, as we've seen in standalone as well, our overall revenue grew by 18% to INR823 crores for the quarter ended FY27 as compared to INR698 crores that we had last year.

Similarly, restaurant EBITDA showed a robust growth of 73.5%, a total of INR93.3 crores. And this had a INR3.3 crores of Indonesia as well. If you do compare to last year, you would realize that we were at a breakeven level in terms of restaurant EBITDA.

From there, we have moved to 3.3%. And we will go into brand-wise as well in terms of which brand has performed well for us in Indonesia as compared, in addition to India also performing very, very strongly.

As far as company EBITDA is concerned, we moved from INR12 crores last year to INR43.5 crores or INR44 crores. So it's almost over 3x growth in terms of company EBITDA that we've seen as compared to last year. So we are not only on a stand-alone basis, but even on a consolidated basis, we've had a very strong performance.

Now going on to Slide 18, and we will go into the nuances of the India performance and then Indonesia performance. We've already seen a constant focus on adding restaurants in India and to grow the brand in India. We ended the quarter at 590 restaurants.

As we've always been stating that we would continue to grow at a pace of around 80 restaurants on an annual basis, and that still continues to be our goal going forward as well. As far as ADS is concerned, you could very clearly see that there is a step change led by very strong SSSG growth that we've seen in quarter 1.

We, at the portfolio level, we stand at an ADS of INR1,31,000 with SSSG growth of 12.6%. As far as revenue is concerned, INR683 crores, 24% growth over last year. And delivery mix continues to be in a very similar tight range at 44%. So it is 2% higher than what we had seen in quarter 1 last year, which is more a comparable quarter from a seasonality perspective.

Gross profit margin, you've always seen us improving on a quarter-on-quarter basis. That trend continues, and we ended the quarter at 70.8%. We believe that this is a trajectory at which we should continue to grow our gross profit margin going forward as well with restaurant EBITDA standing at 13.2% at INR90 crores, which if we look at it from a seasonality perspective, it is up from 9.7% in quarter 1 last year to 13.2% in current quarter.

And then translation of the restaurant EBITDA improvement is also reflected in company EBITDA numbers moving from 4.1% or INR22.5 crores, INR23 crores to INR53 crores for the quarter at 7.7%.

If we quickly look at the Indonesia summary, and I'm looking at Slide 20 there. As far as Indonesia is concerned, ADS-wise, we've remained fairly flat, but all the efforts that we've taken to improve the overall restaurant EBITDA on the Burger King side by building efficiencies into the P&L, what Raj spoke about, including delivery profitability or looking at cost initiatives.

We have been able to move the needle to a store EBITDA of 5.2% as far as Burger King is concerned. Popeyes is something which continues to remain at a stable ADS of around INR69,000 to INR70,000 in terms of Indian rupees. And that is an area which we continue to work towards.

But what is important is that at a consolidated level between the 2 brands, we have been able to move the needle to a positive EBITDA for quarter 1 at INR3.2 crores or INR3.3 crores for the quarter. So there is a positive directional change that we are seeing in Indonesia as well.

As we saw in India, obviously, India shift is substantial at the back of 12.6% SSSG that we've seen. If we look at, and I would kind of take a moment to take you to Slide 23, which talks about India performance on a post-Ind AS basis as well. You could see that on a post-Ind AS basis as well on India, we've made a substantial shift.

We are, we reported a marginal profit after tax loss of INR3.2 crores, but there is an exchange loss that really caused the profit after tax to be negative of INR12 crores, which is pertaining to the investments that we have in Indonesia.

Otherwise, subject to that, our directionally, we've also started to move towards making the company not only generate good cash, but at the same time, also to directionally move towards positive after-tax numbers as well as we kind of see as far as standalone performance is concerned.

Similarly, on consolidated performance, which is Slide 25, the profit after tax on a consolidated basis, we had a loss of INR45 crores, which is also reduced by 27% to INR33 crores. So we kind of believe that there is an all-in improvement in India as well as directionally, we started to move on the positive side on Indonesia. We feel that as on the journey side, we are moving directionally, we are moving in the right direction, and we will kind of take this forward.

So with that, we would open it up for Q&A. Happy to take the answer, happy to take the questions that you all would have.

**Rajeev Varman:** Operator, we can proceed with the questions, if they're lined up. Thank you.

**Moderator:** Thank you very much. The first question is from the line of Aditya from CLSA.

**Aditya Soman:** So 2 questions. Firstly, we've seen a significant escalation in SSG. Could you maybe break that down into sort of pricing mix and volume, how that would -- how that was in the quarter and how you expect that to play out for the rest of the year?

And then secondly, when we look at the sort of restaurant EBITDA in the context of the very strong SSSG, we find that maybe the improvement isn't as strong. Would that entail that there has been a higher marketing spend? Or is that something else?

**Rajeev Varman:** Thank you for your question. Look, our total sales, whether it's delivery sales or dine-in sales is driven at the back of traffic increase. We didn't take any -- and you could probably reflect on our restaurant pricing as well. We haven't taken any significant pricing to have reached that 12.6%. It's driven by traffic that we have generated.

And we believe that, that's what we have been doing for the last 3 years. We continue to stay in line with doing that. So as long as we continue building traffic, you will continue to see that SSSG number persistently going forward. And we have had a very good start to Q2 as well. So I can say that some of the things we have put in place is driving more people into our restaurants.

The second question, which was on marketing, yes, we -- you always see in Q1 that we have a higher marketing expense. This time, it was 6.9% -- 6.6%, sorry. And usually, this kind of gets amortized over the year. Usually, we have a lot of spends initially, which we kind of tie up for the year. So that's higher. If you bring that down to 5%, 5.5%, 5%, then yes, the growth -- the EBITDA at the restaurant level will go up by that much amount.

**Moderator:** The next question is from the line of Mohit from Investec.

**Mohit:** So like I have a question on like given the 12.6% SSSG achieved this quarter, so what percent of revenue was allocated towards like advertising and promotional activities in India? And do you expect like ad intensity to remain at current levels and considering the season, which is like typically strong for Burger King coming, it increase?

And another question is on future synergies and acquisition. So, are there transition plans to integrate many options, or is there any plan? Because we have not heard post-Lenexis acquisition, any synergies or what is going to happen. So what do you think about things like Burger King, is like the sole focus is on increasing efficiency, sourcing and everything?

So -- and also, we have fresh capital infusion coming in. So based on that, any strategic alignment with Inspira Global and Lenexis ecosystem? Or are there any concrete procurement co-located stores or anything happening in such direction?

**Rajeev Varman:** Yes. So first of all, on the question that you had, the first question, which is on the trend -- customer trend and the SSSG. I think I answered that earlier, but I'll reemphasize that we have actually developed more and more customer base through our value strategy and now with our premium strategy, which has become very popular with our Kimchi Korean promotion.

And then recently now you have seen what we have put out with the Peri-Peri promotion. Both of those were a big success for our company. Now as we move forward, synergies you spoke about, look, both the businesses and you're talking about Inspira business are operated independently. And they will continue to operate independently.

We do have a lot of learnings from the promoters because, as you know, Aayush Agrawal has actually set up the entire Inspira Food business, which is Chinese Wok from scratch. So while we are here running a brand, a global brand and building a business, he's actually got a lot of experience in building a brand, not just building businesses. So I think those synergies from there will definitely be transferable to our RBA business.

Most people ask where are they going to benefit from that? This is what RBA is going to benefit from. So I think that's -- we are excited about it. And a lot of good things, feedback in the last few days, we have had a lot of meetings with them, and a lot of questions on efficiencies and so forth, which have been very, very useful for us to understand. We'll continue to have that kind of discussions and whatever we can transfer into our business here in RBI, we will continue to kind of move forward and do that.

**Mohit:** Okay. Okay. So there is no plans for any co-located store expansion strategy as of now? Like is it continues to operate as independent?

**Rajeev Varman:** Yes, they're 2 very different businesses. They operate very independently. They have their own teams and their own CEO who operates that business, and we operate our own.

**Moderator:** The next question is from the line of Dhwanil Desai from Turtle Capital.

**Dhwanil Desai:** Congratulations for extremely strong set of numbers. Sir, my first question is, I think if we look at last 4 quarters, every quarter progressively, we have increased the SSSG. And generally, what I understood is that QSR is a momentum business. Once the momentum picks up, it continues to carry on as you have enrolled more customers, they come to stores, spend more.

So given this, how do you look at next 4, 5, 6 quarters? Should we be able to kind of grow at double-digit SSSG on a longer-term basis? Because earlier, we were guiding for 5% to 7% SSSG and we have far exceeded that number this quarter.

**Rajeev Varman:** Very good question. Look, I think you spoke about the last 4 quarters, but I would say even the last maybe 6 to 8 quarters, you generally got on calls and listen to very muted sales in the industry, right?

You've seen some negative sales and you've seen very muted sales for a very long time. And this quarter, you've heard nothing but positive from the industry. So it should tell you where the industry at large, the food business in the country is going. So we are very blessed and everyone is benefiting from it and so are we, right?

Now if you have this kind of environment and you have the right promotions in place and the right strategies in place, which we have had for a long time, then they benefit in ample amount when things turn positive and the wind is behind you back instead of in your face. So I think those are the things. We don't make forward-looking statements, but I'll submit to you that we have started this quarter very well, Q2, and we feel very good about the market.

**Dhwanil Desai:** Got it. Sir, second question is a lot of capital will get infused into the company. And as a shareholder, that is something we want to understand how this capital will get utilized because our profitability is increasing, cash flows will make sure that even 70, 80 stores eventually will be self-sustained, maybe not now, maybe 4, 6 quarters later.

So what is the plan on the capital that we will have in the company? How do we deal with it? Will we again not get into that more of acquisition and then investment again and then waiting for next 2, 3 years? So how do you want to kind of your thoughts on that?

**Rajeev Varman:** Yes. We are in the process. You can appreciate that this is the first call with the new promoters, and we just closed the deal just a few weeks ago. So you would appreciate that we would like to have some time to put together a strategy moving forward for the next 3 to 5 years.

We are working with them on a strategy to move forward, how we are going to do capital allocation, what is going to be the growth rate, what is going to be the different efficiencies we can bring in, what is the back-of-the-house integration. So a lot of conversations happening. Once we have a steady plan put together that we are all fully energized and behind, then we will be in a position to share those plans.

**Dhwanil Desai:** Got it. And last question, sir, and I'll come back in the queue. Sir, on the Indonesia side, I think earlier, we were working on twofold streams. One is, of course, making the business go to the profitable part, but the alternative stream was again to kind of sell off the business or hive off. So are we still on the same line?

And I think last call, you indicated that at least on the Popeyes side, you are working on a very urgent basis to do something about it. So any updates on that? Any change in thought process, if you can update on that, sir?

**Rajeev Varman:** Yes. No, thank you for your question. Very aligned on what we spoke last time. Look, the Burger King business is improving there very well, right? You get a feel of it, even though you don't see it in the numbers immediately, you get a feel from the market whether what you're doing is right.

So we have that focus over there in terms of our value platform that we are launching. But we already see that the restaurants have started to generate a positive amount of EBITDA. And we see that there is a lot of inefficiencies that we have bought in India, the efficiencies that we have bought here that we can transfer to Indonesia very quickly.

So we are now working on those. We feel the Burger King business is stronger than it was a few quarters ago. And I think we want to continue to put a focus on that and make sure that we strengthen all those things that we have done in India, we kind of parallel those off into Indonesia.

The value strategy being a big one, the utilities and the middle of the P&L refinement, that's another one. The delivery strategy where we have an opportunity, we have already done some progress by making it more profitable. I think there is still some work over there. So we'll complete all those things and stay focused on that.

Popeyes, like I told you, we are now in very deep conversations with the new promoters. It is a tough business, and it is something that we will not exclude any strategic decisions on that, and we will inform you as we kind of arrive at a path that is visible to us.

But either way, if you appreciate it, whatever we do with both those businesses, bringing efficiency into both those businesses, making sure those businesses are moving towards profitability is important in the near-term anyway. So we haven't left our eyeball from that, and we continue to look at some strategic options on Popeyes as well.

**Moderator:** The next question is from the line of Devanshu Bansal from Emkay Global.

**Devanshu Bansal:** Just continuing on the discussion, right? So firstly, congratulations for a very strong performance in Q1. The -- you sort of answered to this from an acquisition perspective, right? I mean you are currently phasing on the strategy. I also wanted to sort of get some clarity because promoters may have taken some debt to consummate the stake acquisition, right?

So do we have as a company, any plans to share dividend going ahead to sort of maybe service that debt taken by the promoters. So if you could also sort of maybe provide clarity down the lane on that front, it would be helpful.

Secondly, I wanted to check that your delivery channel performance has been pretty different from that reported by peers this quarter, right? So your mix has actually increased. Checking if you are also benefiting from relatively lower competitive intensity on that channel, if you could throw some light there.

**Rajeev Varman:** Yes. So look, just let me answer the second question first, and then I'll turn it over to Sumit on the PAT and the dividends. Look, we -- our strategy on delivery has been very consistent, right? We continue to focus on driving traffic, right, and profitable traffic, not just traffic, but profitable traffic. We started doing that a while ago.

We have been reporting positive delivery sales flow-through for a while now. And we haven't stopped improving on it. We continue to improve on it. So when we do delivery sales, we actually do that more profitably than we have done it in the past. So that journey continues in those lines, and we are not shaking away from it.

You saw a kind of shift in some of those delivery numbers because there were certain markets we had some good delivery businesses because of certain events in those areas, whatever that those may be. But we will take all sales, whether it's delivery or dine-in as long as it's bring coming in profitably, and that's how it came in.

And so that's why you see those numbers in EBITDA as well as on revenues, which is up 23.6% on revenues, SSSG up 2.6% and EBITDA, restaurant level and company EBITDA both up 168%, the other 133%. All this is because these things kind of lined up well. As far as...

**Sumit Zaveri:** Yes. So Devanshu, I'll just take the first question. As far as the business is concerned, we are very clear that the cash that the business generates will be utilized for the purpose of growth of our businesses. And that's something which is very clearly kind of agreed as a part of our long-term plan. So we are very clear. We continue to kind of use the cash for the purpose of growth of our businesses -- the current businesses that we have.

**Devanshu Bansal:** Got it. Sumit, just one more clarification. You did mention there is some forex-related loss, right? So your pre-Ind AS head office cost is somewhere around INR37.6 crores, but your post-Ind AS head office cost comes out to be around INR50-odd crores, right? So what is this exact difference and whether this is expected to continue in the coming quarters?

**Sumit Zaveri:** So one is, Devanshu, the exchange loss that I mentioned to you is sitting below the EBITDA line as a part of finance cost. So that does not impact the EBITDA line as far as G&A is concerned, our G&A for India business stands at INR37 crores for the quarter. So that is the number. And the exchange loss number that I spoke to you is not forming part of the G&A or the EBITDA, whether it is pre-Ind AS or post-Ind AS EBITDA numbers.

**Devanshu Bansal:** Okay. Got it. Then there might be some mistake at my end, I will correct that.

**Moderator:** The next question is from the line of Aditya from Complete Circle Capital.

**Aditya:** Yes, all my questions are answered. Thank you.

**Moderator:** The next question is from the line of Manoj from Geometric.

**Manoj:** Congratulations on super matrix in all areas. I understand that you will take time for the capital, which will come from the equity dilution. But can you give some sense what you will not do? What you will do you have a time like I understand that multiple permutations that looks like that capital will go into the investment phase in some form of sense.

But like last time, there was a promoter that we bought Burger King Indonesia. Can we -- it is like that we can buy something in Chinese wok. Is there any guideline what we won't do? What we will do, we will come to know.

**Rajeev Varman:** Manoj, please give us some time. We are in discussions on an outlay on plan. We will come back. We will have a plan. There are a lot of options, which include backward integration, bringing some efficiencies by investing in, for example, solar farms. It's a good way to kind of spend the money long-term.

But backward integration, there's growth initiatives that we can -- there's a lot that is on our plate that we are sorting out. Given the very small time frame that we have had since the deal was closed till now, I think we should do this honestly, and we should come back with definitive answers more than speculative answers. So please give us some time.

**Manoj:** Okay. Understood. Looks like -- my commentary of Indonesia, Burger King, it looks like that more or less we are continuing with Burger King, it just looks like a very positive commentary. How much capital if we continue with Burger King Indonesia would be needed more? Any idea on that?

**Rajeev Varman:** Yes. So first of all, let me clarify that Burger King Indonesia is doing much better. We have a good feel that, that business is kind of on track towards a strong positive EBITDA line at the restaurant level. So we continue to kind of work around that. We have identified the gaps that are there.

It took us a little while, but given the rough market that was there because of the boycott and before that COVID and then the second boycott, all these things happened in Indonesia. It was a fantastic business when we bought it. Pre-COVID, it generated very strong EBITDA margins.

And it was in a market where we had very high out-of-home consumption. And it was a very, very, very strong business that we bought, but kind of fell through because of all the string of events that happened because of the war in Palestine and the boycott subsequent to that.

So let's leave that alone. We made a good decision that kind of turned out to be tough on us. We have found some solutions with Burger King, we are moving forward with those solutions. Like I said, whether we have a strategic output from this effort, we still need to be, as a company, reducing losses, finding efficiencies, building a strong business as long as we own it. So we are continuing to do that, right?

Popeyes, we think in the near future that we will make some strategic decisions. We still need to continue to improve that and minimize the losses. So we are working on both those fronts. And that's the real plan that we shared with you prior to the new promoters coming in. It's no different now, promoters and we are aligned on how we are moving forward with that. So just kind of stay put to hear a little more from us.

**Sumit Zaveri:** I just want to add to what Raj mentioned, there was an initial question as well with respect to the way both the business, our business and promoters business will be run. I think he's already clarified that those businesses will continue to operate individually, and that is something which is how we will continue to operate both the businesses there.

There are no -- there are absolutely no plans to consolidate those businesses there as far as we are concerned. We are very clear and focused to run these businesses as individual businesses, including the allocation of capital, which will go towards the growth of the business that we are currently operating.

**Manoj:** Congratulations and hopeful for a very good journey with the new promoter and transparent and very better to the shareholder.

**Moderator:** The next question is from the line of Rahul from Athletico, Analytic Services, LLC.

**Rahul:** So as part of the acquisition, the promoters have pledged 14%. Is there a chance that, that 14% could go further up?

**Sumit Zaveri:** Rahul, that is honestly completely the plan that the promoters have with respect to funding the acquisitions, honestly. So that's a question that rather we would kind of stay away from. As far as we are concerned.

**Rahul:** Fair enough. And is it possible or likely that in the next con call, the promoters would be open to being on the call? I think many shareholders would appreciate that if it's possible.

**Rajeev Varman:** Look, I mean, I'll definitely have a chat with Aayush on that. But I think it makes more sense for us to finish a business plan, set that out and then kind of share that with the wider community and then kind of have that call. So we'll discuss and get back for sure. I mean it's a good question from you, and we'll get back to you on that, yes?

**Moderator:** The next question is from the line of Rohit from ithought PMS.

**Rohit:** Congratulations on solid performance. So my question was on Indonesia. So while you sort of hinted that maybe we may look at things at Popeyes. But just on Burger King Indonesia, I mean, what kind of capital outlay do you see? And given that you -- I mean you seem to be very confident about the things improving, notwithstanding the numbers yet.

So like what kind of external capital, I mean, from the parent do you see that they will probably -- that we need to sort of invest? I saw that we have invested close to INR50 crores in the Indonesian subsidiary. But assuming that the business improves from here on, I mean, is there sort of a limit you're thinking that this is the kind of capital that we would sort of give out to Indonesia -- Burger King Indonesia...

**Rajeev Varman:** Yes, Rohit, that's a very good question. First of all, let me reiterate to you that the franchisor, which is RBI, Restaurants Brand International has invested already or plans to -- has committed to invest USD9 million over the next 3 years in the Indonesian market.

So that's the capital that they are outlaying in terms of marketing support to spruce up our marketing program over the next 3 years. So we thank them for that. That's their belief that this is a strong market, and this is a market that they would like to build, if anything, right? So that's one thing.

Now we are not in -- we haven't got a plan in place right now to build any new restaurants there. right? There's nothing in this year's plan to build any new restaurant. We are optimizing, reducing rent in existing restaurants. We are looking at the solar farm. We are looking at the new broiler.

We might end up buying the new broiler, which will actually bring efficiencies that last time when we told you about this plan for India, the payback was about a year and a few months. So that kind of paid off real quickly here in India, and we are looking at those, and we will have that into our plan as we kind of move forward on that.

But a lot of efficiencies will come out without any capex outlay, right? A lot of this will come out. Marketing support is there from RBI that they have invested into this business. So these are the initiatives. We are not looking at putting in capex to grow restaurants, but we'll find ways to bring in efficiencies at current ADSs.

And then, of course, the value strategy that we are going to roll out will help us kind of improve the top line. We have seen in the industry over there at the other players that are there that they have slowly started to move their top lines as well.

And so generally, the industry -- and when I say the industry, I'm talking about Western QSRs in Indonesia are now creeping up and improving on their ADSs and their sales and P&L and so forth. So it's not just that we are hoping to do that. We are seeing the entire market doing that.

**Rohit:** And just 2 small questions on this follow-up. So I think when we had acquired, I think I remember maybe you had articulated that while the gross margins there are lower than India at a restaurant level or at a unit level, probably because of lower rents and lower delivery provisions, etcetera, the margins actually are slightly ahead of India.

So of course, a lot has happened since then in terms of the macro environment. But assuming that you work through these efficiencies and you get some bit of market tailwinds in terms of ADS, does that still hold? Or I mean, that argument has probably not played out, if you can share some comments? Sorry, one more question on this was that I think when we had acquired this piece, I think we were very on the chicken part. And I think we have -- you mentioned that we've gone from 30% to 50%.

And concomitantly, I think we were talking about a gross margin improvement there as well because of this mix changing when we had acquired. So can you maybe also talk a bit about that? What kind of potential improvement in gross margin because of this have we already achieved and what can happen going forward, in Indonesia specifically? Yes. Thank you.

**Rajeev Varman:** Very good question, Rohit. Excellent question, actually. Look, the dynamics of that P&L haven't changed, right? We have an advantage over there in rent. While we kind of 12% over here when we bought that business, it was sitting at 8% because of volumes, right? The volumes were there, sitting at 8% rent.

We hope to get there very quickly as we kind of do this value strategy and we kind of roll this out. So many of those benefits that were there in those P&Ls still exist, right? For example, delivery is a lower percentage there. The commissions on delivery are lower. There are a lot of intrinsic advantages that we have in that business that haven't changed.

So as we grow the volume back and there, those things will be still firm and available to us, right? Now you spoke about the chicken. Yes, we moved the volumes of chicken, which, of course, you saw our gross margin in the BK business has improved significantly. And that gross margin will continue to improve and that will roll down to our EBITDA line.

What I think we learned from the study that we did is that Burger King is very strong and known for burgers over there. And people that visit QSR and if they visit for a burger, they would like to visit a Burger King. And so what we are doing now with the value strategy is including burger options into our value induction menu. And those will be rolled out.

In fact, they are in test as we speak. In fact, the test started on the 1st. So we are already in test in 3 markets. We will see how the tests run. And as we kind of learn which of those test --

which of those strategies are best, then we will implement those to drive the top line over there. Did I answer all pieces of your question there, Rohit?

**Rohit:** Yes, Raj, I think this was very helpful. And just sorry, if I can squeeze one more in. I mentioned that we tried some value strategy in Indonesia, but it sort of did not work out and we're moving to another strategy. So anything you can share what didn't probably work out?

**Rajeev Varman:** Yes. Rohit, see, when we put a value strategy, like we have a 2-for in India, right, 2-for-79, that's a value strategy, right? We have a gross margin percentage that's lower. But because of the traffic we drive, the gross margin dollars or rupees in India, those are substantial, right? And that's what helps us in driving EBITDA and top line sales, right?

Every company has some kind of a lead offer that they use to generate trial and bring -- it's called the induction menu people into the business. Now we had that strategy in place in Indonesia for a while. It did give us some kind of initial jump, but did not go to the traffic numbers that we had speculated.

One, because maybe there was a better offer and a better strategy in place that we did not put. And secondly, the marketing spends around that were muted because of the muted sales that we had. Now both those things we are trying to solve. One is we have got additional marketing rupees that have come in our -- Rupiah in Indonesia that have come through our franchisor who has graciously partnered in that business.

And secondly, we are also testing what different strategies would work better than what we currently have. So once we have those pieces put together, I think we're going to come out a little ahead than where we were when we started this journey.

**Moderator:** The last question is from the line of from Vignesh Iyer from Sequent Investments.

**Vignesh Iyer:** My question is on the gross margin part for our Indian business, in which we have seen a sequential improvement for several quarters now. So -- and even in this quarter, we have seen improvement, if I have to say, on a quarter-on-quarter basis.

So wanted to understand what is the target or anything in mind? Or is this the steady state number that we should model in for the future quarter, considering the fact that we have been hearing from other players in QSR industry that there has been an impact of raw material inflation on the gross margin part, but we have still seen a good improvement in our gross margin on a quarter-on-quarter basis.

**Rajeev Varman:** Yes. Thanks, Vignesh, for your question. First of all, our strategy, we are slightly ahead of where we thought we would be in terms of gross margin. We have already outlaid that. Our goal is, as we have outlined in the last call, is to get to 72% over the next 3 years. Now given we are at 70.8%, that tells you that we're kind of a little bit ahead on our strategy.

But it's all coming through our -- which is -- I've been sharing this now for the last 3 years. We are continuing to fill up markets which have DCs with more restaurants. So we amortize the secondary transportation in those restaurants -- and sorry, the primary transportation over more restaurants in that region. So automatically, we see efficiencies coming in. Again, it's again, the cluster approach. You build a DC, there is some fixed cost to the DC. When you put enough restaurants around it, it not only absorbs the fixed cost, but in future, it brings down the total cost. So this cluster approach that we have been doing is helping bring down the total cost of distribution. But also buying and bringing in multiple -- bringing, as I say, bringing food close to the restaurant. That's another strategy that we put in place a couple of years ago. And I think as we keep working on that strategy, you will find that the fruits of that will continue coming in. Our plan is to get to 72% in the next 2 to 3 years. So we'll stay on that plan. And if we meet that ahead, kudos to the team, but that's the plan.

**Vignesh Iyer:** Right. So would it be fair to say that on a quarter-on-quarter basis, this entire improvement is due to the structure that you have set up, that's a cluster-based approach. And there is no such price increase that you have taken in this specific quarter?

**Rajeev Varman:** Yes. Look, we haven't taken any strategic price increase at all. We take a few paise here or a few rupees here and there. We haven't had a price increase for a while now. And we have stayed true to that. We have taken some in delivery, some here and there, but nothing that we haven't done in the past.

We haven't really gone out of the way to take a price increase. We won't do that. I think we continue to stay true to our strategy of continuing to drive traffic into our business. And I think that strategy kind of keeps us honest and keeps us clean.

Thank you so much. Really appreciate it, guys. Again, thank you for your interest in our business. It's one of those quarters that we are actually as a team proud of. 12.6% SSSG, INR682 crores in total revenues in India, 70.8% gross margin, INR90 crores in restaurant level EBITDA and INR52.7 crores in company EBITDA here in India. Indonesia, Burger King business getting strong. We are looking at all options on Popeyes, and we are going to be putting a structurally sound plan in the next several weeks and months to kind of take this company forward. And thank you for your support. You guys have been good. Please go and buy Burger King, go buy Whoppers. We'll appreciate that. Thank you very much. Over to you, operator.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question from the participants. On behalf of Motilal Oswal Financial Services Limited, that concludes this conference Thank you for joining us, and you may now disconnect your lines. Thank you.

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*(This document has been edited for readability)*