November 03, 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
Exchange Plaza, 5th Floor, Plot no. C/1,
G Block, Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051
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 and half year ended September 30, 2026 held on Thursday, October 29, 2026 at 5:30 p.m. (IST).

The same is being made available on the website of the Company viz. www.rbrandsasia.com

Kindly take the same on record.

Thanking You,
For Restaurant Brands Asia Limited

SHWETA SUNIL MAYEKAR
Digitally signed by SHWETA SUNIL MAYEKAR
Date: 2026.11.03 18:04:20 +05'30'

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

Encl.: As above

Restaurant Brands Asia Limited

Q2 FY27 Earnings Conference Call

October 29, 2026

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

MR. SUMIT ZAVERI – CHIEF EXECUTIVE OFFICER, INDIA BUSINESS

MR. KAPIL GROVER – GROUP CHIEF MARKETING OFFICER

MR. SANDEEP DEY – CHIEF EXECUTIVE OFFICER, INDONESIA BUSINESS

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

HOST: **MR. NAVEEN TRIVEDI – MOTILAL OSWAL FINANCIAL SERVICES LTD**

Naveen Trivedi: Good evening everyone. On behalf of Motilal Oswal, I am Naveen Trivedi. I would like to welcome you all to the Restaurant Brands Asia's Q2 FY27 earnings conference call.

From the management today, we have Mr. Rajeev Varman, Whole-time Director and Group CEO; Mr. Sumit Zaveri, CEO, India Business; Mr. Kapil Grover, Group CMO; Mr. Sandeep Dey, CEO, Indonesia Business; and Mr. Gaurav Ajjan, Head of Corporate Development and IR. I will now hand over the call to the management. Over to you, Gaurav.

Gaurav Ajjan: Thanks, Naveen. Good evening, everyone. As we are using Zoom for the first time this quarter, I wanted to inform you of the flow of the meeting. We will start with a presentation by the management team, which you will be able to view on your screens as we move along. The presentation is also available on the stock exchanges as well as the Investors section of our website. Do note that we have a new corporate website with the address www.rbrandsasia.com

The presentation will be followed by Q&A. For Q&A, please use the raise hand option, and we will announce the name and enable the microphone for that person. The speaker must also ensure that the mic is enabled at their end and then speak. After the question is over, the speaker's microphone will be disabled. In the interest of time, I request you to limit your questions to a maximum of two and re-join the question queue if required. With that, I will hand over to Raj for his opening comments.

Rajeev Varman: Thank you, Gaurav, and thank you, Naveen. Folks, good evening to everyone, and thank you for your interest and passion around the Restaurant Brands Asia quarterly results. Welcome to this session. You just heard Sumit Zaveri assigned to a new role. He's been promoted to lead the business here in India. Sandeep is also on the phone, who leads the business in Indonesia. Naveen... so with Sandeep and with Sumit Zaveri leading the two tall businesses, we will now proceed with the numbers, and then let me talk to you about the strategic pillars that I usually talk to you about.

First of all, just to give you a perspective, you see on your slide number... slide number... yeah, that's the one, right? Slide number 4. So, you know, the India business, which is 607 restaurants, today actually we opened our 619th restaurant. So, there's 619, but this is the quarterly 607 number. It's in 144 cities. Indonesia, we have 137 restaurants in Burger King and 25 Popeyes restaurants. Just to give you a perspective, revenue mix, which is 83% of the revenues actually come from the India business, and the balance 17% comes from Indonesia. By the end of March, this number will be more... over 90% of the business will be coming from the India business, and the rest from the Indonesia business.

Consolidated numbers that you see over there, consolidated revenues were up 20% from 703 crores to 844 crores. Restaurant EBITDA, which is in INR over here, from 53 crores to 92 crores almost, 91.8. And consolidated company-level EBITDA, which was 11.3 crores last year same quarter, is at

43.2 crores Q2 of this quarter. So, this is up 281%. Our restaurant-level EBITDA is up 73%. Revenue is up 20%. Store counts up 75 restaurants in the consolidated scheme. Next slide, please.

Just quickly to speak about the strategic pillars, we have added a new pillar to our strategic pillars, as you can see in the middle, which is called Families. I'll talk about it in a minute. But as you go through our strategy here in India, we continue to drive our value strategy. It's an integral part of who we are. This has been there from 2014 when we first entered the Indian market. And that we continue to be true to that value strategy. We continue to offer a program, which is right now 2 for 79, 2 for 99 on our app. And this continues recruiting new customers into our business.

Our innovation platform, you saw the Peri-Peri rollout right after Korean Season 2, which was followed by the Season 1 that we had earlier. And each time we're doing these new innovations, we continue to see incremental sales coming in through this premium layer of ours.

The Families program is what we're launching this month, this in November, and you will start to experience over the next several months the efforts around our Family program, which will now become one of our pillars as we move forward as a business. In this, you will find a kids family program that is being launched. You will also find some exciting stuff coming in very quickly, which Kapil will speak to in a few minutes, with the Avengers program. We have a whole family of products that we will be launching in the innovation or premium layer of this business.

Digital, as you know, we've invested into this digital about five years ago. We continue to strengthen that, self-ordering kiosks, our app, which is now live with our CRM engine. We continue to kind of drive that. App frequency is up about 7% year-over-year in Q2. You will find a lot of the digital elements again shared by Kapil as he speaks about the business there.

Profitability pillar, you've seen some headwinds. The entire industry has seen headwinds when it comes to prices and cost of groceries coming into our restaurants. But, you know, as we pedal through these headwinds, we have a slight drop in our gross margins of about 0.4%, but not a very significant amount, and most of those efforts have been through a fantastic work our supply chain is doing and the efficiencies we are getting as we are building more restaurants around those DCs which were, you know, low populated with restaurants. So as we continue to do that, we see those efficiencies, and those are the ones we're using to tackle headwinds on pricing as well.

On the other end, we continue to work, Nitin Bhayana and his team continues to work on broilers, on efficiencies, on solar, installing new equipment which is energy efficient, all the way from lighting and all other tools that we're putting in place so that we reduce energy cost. You know, one of the things you're seeing is as energy costs are going up, we're actually bringing down the energy spending, and that's thanks to all the work that he's doing over there. So this basically tightening up the P&L, getting a better flow-through coming out of the P&L on the EBITDA line, the fact that we're working on the

CapEx as well, helps us expand from building what we were building in the past, 50 to 70 restaurants, to potentially go up to 80 to 100 restaurants in the future. So you will start hearing more from us as we go into the next few quarters.

Now let's go to the Indonesia strategic slides. Again, Indonesia, we've been at the value, testing value in several markets. We have tried a few programs, and finally, we did hit the nail on the head with this Super Hemat that we launched. We launched this in late September, and we've seen some fantastic results. In fact, we have added about 35 to 40 additional traffic per day per restaurant with just this program. And we're extremely excited about this. I think this program, as we continue building this over the next few years, will become one of the cornerstones of recruiting back customers that we had lost in the past. So a very, very strong platform. Well done to Sandeep and his entire team, Namita and Aditya, who have pulled this value platform very well, and they continue to kind of get this strengthened as we move forward.

Innovations, you know, Indonesia's always been strong in innovation area, whether it comes to the whole chicken with the, which they launched about a year ago, Nusantara, but now the premium selection with the Boss Whopper and the Boss Collection is something that they're working on and it's doing very well. And I think this is a platform we're going to continue to build, just like in India we had Korean 1.0, Korean 2.0, the Peri-Peri, and then you'll now see the Avengers platform. We've started this platform here with the Boss Whopper, and then you will see this continuing to build over there.

Digital assets, we started installing SOKs a few months back in Indonesia. We've seen some significant progress with that. We will be completing this project by March with some additional SOKs installed. And then we are installing the same software and the same kind of customer journey that we're doing in India also in Indonesia, so that's going to continue strengthening that. And then the levers of CRM and our app in Indonesia, those will be very much aligned to what we are doing here in India as well.

On the profitability front, we had worked, and I've been sharing with you a lot of work that we've done on profitability, but the stuff that we have done in India, whether it comes to energy efficiency, equipment efficiency, solar, and the profitability that we are working in the India market, we're now transferring those learnings over to Indonesia, and a lot of progress. I think we will make significant changes to that by the end of November, and then the last quarter, which is Jan, Feb, March, I think we will finish most of those changes that we are doing there in the profitability and align it very much close to India. So a lot of work over there, and we'll keep informing you, keep updating you as we do the work over there.

Asset upgrade is a pillar that's going to be there in Indonesia for the next 6 months, maybe even slightly longer. And what we're doing, what we're doing over there is, again, some of the equipment, energy efficient equipment that's going in there, air conditioning units which were old are being

removed and replaced with the right new energy efficient HVAC units, kitchen equipment upgrade, also the front of the house customer touch areas where lighting, where it comes to signage's, where it comes to washrooms and so forth, a lot of work is going on in upgrading the asset over there. We've got a very strong value platform that's working, a strong innovation program that was working in the past but getting stronger with every quarter, digital that we have just recently launched and that we're going to continue to strengthen, profitability pillar to be aligned with India with all the work that we're doing here will be transferred by Nitin over to the team in Indonesia, and then the asset upgrade. I think a very strong recipe for a very strong, bulging Indonesia turnaround and progress over there.

So with that said, I think I'll turn over to, and I'll come back and take all your questions, but I'm going to hand it over to Sumit to kind of walk you through the financial numbers, and then we will address any questions after Kapil finishes up with the marketing section. So over to you, Sumit.

Sumit Zaveri: Thank you. Thank you, Raj. This is our first attempt to do a video conference so that when we are talking, participants are also able to see the numbers as we speak. We are really happy to share with you a very strong performance for the quarter. It's the second consecutive quarter with a very strong SSSG growth of 14% for the quarter, with an ADS of 1,31,000, similar to what we achieved in quarter one, with revenue now crossing 700 crores with a year-on-year growth of 24%. What we are really proud of and we will continue to build on is the 55 crore company EBITDA number that we've achieved for the quarter. It's at 7.8% of our revenue.

While we share with you the numbers that we've achieved for the quarter, just to take you through the journey that we've taken over these last five quarters as far as Burger King India is concerned, as you all can see, we've got to 600 restaurants. We have a very strong pipeline to continue to take this journey forward for growth. As Raj earlier mentioned, we are already at 619. This month, we've already opened 12 stores, and we will continue to kind of grow at a good pace going forward as well.

This is obviously supported, and the confidence to grow is also strongly supported by our overall growth in profitability that we've seen, almost doubling the profits at a company level from what we had last year, from 28 crores to 55 crores, with very strong SSSG of 12.6% and 14%. We do understand that strong SSSG performance and strong growth, we need to make sure that we are able to build on to that, and that was one of the reasons why the strategic pillars rather becomes very, very critical for us to be able to build on to the momentum that we have on our side, and we don't want to make it to a level where we are not able to build any further, which is one of the reasons why we've added one more pillar of Family starting from this quarter. You will continue to see the effort that we would put as a team to make sure that we are able to continue to grow this business going forward.

As far as restaurant EBITDA is concerned, as you could see, we had a very strong 13% levels now over last few quarters. But if we look at it from the perspective over last year, a very clear 2.5%

improvement in profitability at a restaurant level and 2.8% improvement in profitability at a company level.

Going on to the Indonesia side of the business, in Indonesia, as you all know, we've got two brands, total store count of 162. We've just added one store, which is more like a transfer of a store from one part of the mall to the other part of the mall, since that it just had took longer, that's why it's showing it as one more new store added. In terms of INR value, both the brands' ADS stands at 96,000, with consolidated revenue for Indonesia business at 139 crores. At a restaurant level, obviously we were closer to break-even, a little higher than break-even, with a marginal INR 8 million restaurant EBITDA that we made, which is still a big shift because last year during the same quarter we were negative in terms of our restaurant EBITDA. And we continue to kind of also improve or perform better over last year at a company EBITDA level. While it is a loss of 12 crores, but an improvement by 5 crores or 51 million over last year's same quarter.

Just quickly driving into the two brands' performance, as Raj mentioned, we are obviously very, very strongly focusing on the Burger King side of the business. We're working, we already launched the value campaign of Super Hemat, showing very good results in terms of transaction growth in Indonesia Burger King, Indonesia. And we believe that with the other layers on the innovation side and the investment on digital side, we should be able to kind of start moving towards improving overall performance at as far as Burger King Indonesia is concerned. It is now consistently over last three quarters generating positive EBITDA at a restaurant level, so at least it is showing clearly showing the signs of early signs of building on or early signs of showing improvement in overall results.

Quickly going further into the Popeyes part of the business, this is one business where obviously there is, we continue to have the drag, and the ADS's have been sliding down. Last quarter, we were at 64,000, revenue at around 15 crores, so it's very marginal in terms of overall revenue side is concerned, but our bigger issue that we need to address is the performance of the brand at the restaurant EBITDA level, which is what we are currently working on to get to a resolution as far as Popeyes is concerned. We are in active discussion with the brand owners as well to find a suitable answer as far as Popeyes is concerned.

So, all in all, if I was to quickly summarize before I handed over to Kapil, is that India, we continue to grow strongly with the store EBITDA and the company EBITDA continues to perform at good levels, plus over 50 crores of store EBITDA even for the quarter. Burger King Indonesia is starting to show signs of improvement, and early results in October from ADT perspective are indications, obviously we're not sharing those numbers with you, but very clear indications of improvement in that, and Popeyes is something we need to find, we need to make sure that we have quick answers to that quickly enough. So with that, I'll just hand it over to Kapil to take us through some of the focus areas that we'll have on marketing.

Kapil Grover: Thanks, Sumit, and very good evening to all of you. Just reiterating our focus on the key strategic pillars, value remains a key priority for us. The highlight is that with 2 for 79, 99 available on app, we've consistently driven this program over the last couple of several years, and this is our 14th consecutive quarter of positive dine-in traffic growth. In the environment that we've seen, this is a fairly strong performance on the dine-in traffic side. The other dimension of our value program is the app, which is our Dine-In Crazy App Deals. Now we've seen 7% increase in frequency year-on-year in the same quarter of people using our app to claim these deals that are available only on Burger King app.

So that's on the value front. On the innovation side, we continue to drive flavor innovation on the premium end to build our taste credentials. Now Korean Season 1 was a strong performance, Korean Season 2 that came in quarter one this year was 30% better volumes than Korean Season 1, and Peri-Peri helped us deliver 30% better volumes than Korean Season 2. So this journey now continues on flavor innovation, and as Raj mentioned, the one that's coming soon, I'll sort of share a little teaser with you. Please look up on Burger King app in the next few days, you will see a pre-book of our partnership with Avengers. This is a full integration of product, packaging, a complete program, and I'm hoping that you'll be at our stores to experience this starting tomorrow, the pre-booking starts, and third we actually launch the program across all our stores.

The other piece we want to continue to build on is our awareness around Trust and Taste, our program around quality initiatives. In this heightened awareness around this subject, we continue to share with our consumers and our stakeholders that our food has no synthetic colors or artificial flavors. It matters a lot to today's consumers, the Gen Z and the Gen Alpha, and we continue to reiterate that promise to our guests who come in and enjoy their food at Burger King.

We continue to build, if you go to the next slide, please, we continue to build restaurants. So 600 stores, we celebrated that this quarter. This was a store in Delhi, and we launched the store with a lot of fanfare and reached a big milestone of 600 restaurants in the country, and the growth continues from hereon.

Back to Sumit to close on the financial summary.

Sumit Zaveri: So we've just put the financial performance for the quarter, which I'm sure you all would have gone through. I've already spoken about the numbers through which we measure our performance. Obviously, we've also shared the reported numbers, so with that, we would rather open up for questions.

Gaurav Ajjan: Yeah, thanks, Sumit. We will now begin with the question and answer session. Please use the raise hand option to join the question queue. It will also be great if you can mention your

company name before asking your question. The first question is from the line of Dhwanil Desai. Dhwanil, we've unmuted you. Please unmute yourself and ask your question.

Dhwanil Desai: Hi, good evening everyone. Am I audible?

Gaurav Ajjan: Yes, Dhwanil, you're audible. Please go ahead.

Dhwanil Desai: Yeah, so first, congratulations for a very, very strong numbers, you know, through both consecutive quarters, and kudos to the entire team for that. So my first question is, you know, I think last 4-5 quarters, you know, I think our SSSG has been doing progressively better, but our restaurant EBITDA has remained in that 13%-odd range. So if the environment remains supportive, do we see the path to 15% kind of EBITDA margin and double-digit, you know, company-level EBITDA, you know, how should we look at that path going forward in next 4 to 6 quarters?

Rajeev Varman: Mr. Desai, thank you for your question, appreciate it. Yes, you're right that we have been hovering at the the EBITDA level around that that mark of 13%. Look, SSSG is one one of those top revenue numbers, but we continue to also open new restaurants that come in at lower ADS's and lower margins, that continue to kind of dilute that number. But that, more importantly, you know, we have been scaling some of the headwinds, whether it was on the gross margin line or the utility line, and and all those effects, I think, will start to see some positives. I think the future volumes increases through our family program and the and the kids program that's coming in December, those volumes will leverage those numbers up.

Dhwanil Desai: ---came off the 200, because that does not make...

Rajeev Varman: Please mute, mute. Thank you.

Dhwanil Desai: 26 each for 200...

Rajeev Varman: So, thank you. So those those numbers, those, you know, top-line numbers will provide the the leverage that you will see as you move forward. Efficiencies will continue, but I think do not expect that the rate will be the same. I think we have we have made a very efficient system, as you would appreciate that at our current volumes, we rally the same industry numbers that others do. So so we'll we'll continue to improve on them, but you will now start seeing, you know, EBITDA number, you know, hovering over 13%, and like you said, getting to 15% coming through volumes as we kind of start to build volumes.

Dhwanil Desai: Very clear, Raj. And second question is on the overall, you know, environment, I think across the all QSR companies, the commentary is that the environment continues to remain

supportive even in October, and we are expecting good festive. So do we expect this kind of a double-digit SSSG momentum to continue going into Q3 and Q4? Your thoughts on that.

Rajeev Varman: Dhwanil, I can't make a forward-looking statement right now, we just started the quarter, but I can just tell you that we are we were we are very happy with the way we started the quarter.

Dhwanil Desai: Okay, thank you. I'll come back in the queue.

Gaurav Ajjan: Thank you, Dhwanil. The next question is from the line of Ankit Gupta. Ankit, please go ahead. Ankit, would you like to ask your question? Okay, we'll move to the next participant. The next question is from the line of Viraj Mehta.

Rajeev Varman: Viraj, you will have to unmute.

Viraj Mehta: Viraj, you will have to unmute. Hi, can you hear me?

Gaurav Ajjan: Yes, Viraj, we can hear you. Please go ahead.

Viraj Mehta: Hi. So my first question is on gross margin. We saw slight dip quarter-on-quarter in gross margin, probably a few basis points. Can you talk to us about what steps are you taking for the gross margins to kind of improve from hereon, or is it that you don't think our gross margins will really improve, but it is only operating leverage which will kick in and improve our EBITDA margins to 15% as you mentioned?

Rajeev Varman: So of course, you would appreciate that the leverage will not change the gross margin, but it will, of course, as you said, move the EBITDA number forward. But there is a very strong, nice forward plan on gross margin as well that we are working on. Like I said, as we build these restaurants, and we've got, you know, a whole bunch of openings that will be coming this quarter and the next quarter, these will bring down transportation costs and actually provide some, you know, relief to some of the markets which have higher higher food costs because of, you know, distribution costs. Those markets will experience a lower distribution cost and hence a better gross margin. So that leverage will continue, that continues, usually you do see those those things come around as as we, you know, build more and more restaurants around those DCs.

But there's also a kind of a long-term strategic thinking on both the proteins chicken as well as, you know, the vegetarian menu where we have got some work in process that we will continue to do. So we do see some some progress there. We had some, you know, dip, it was a very small dip, but it was a dip, and this dip was, you know, because of the headwinds that we saw on chicken that happened suddenly in the entire market. I don't think this is going to be long-term. I think we will see

this recede back, and we should be able to get you some some kind of a leverage moving forward as well.

Viraj Mehta: Sure, sure. And sir, my second question was, and I know for us it is a little less relevant, but for a lot of other QSRs, Navratri is a festival which is important because the footfalls drop in Navratri. So, and they also gave SSSG number which was ex of Navratri this, and so just wanted to understand for us, even though it matters less, but given the Navratri has been shifted from Q2 to Q3, if we were to see like-to-like, how much lower the SSSG would have been if Navratri was in the same quarter?

Rajeev Varman: So, you know, to be honest with you, you know, we've just started this quarter, and Navratri fell in this in this quarter in October, last year it was in in September, and so was Shraadh. Shraadh also kind of moved here. But like I was telling earlier to the other speaker, we actually have started the quarter very well, we are very happy about it. We'll share the numbers for this quarter when the quarter is over.

Viraj Mehta: No, no, I'm not asking for Q3. I'm asking if Navratri would have been in Q2, your SSSG would have been 14%, it is 14 right now, so would it have been like 12, 13, 11, do you have any sense, because for most QSRs, the footfalls drop by anywhere between 15 to 25% in Navratri. So how does it impact us given that Navratri was not there in Q2, and it gave a bump up to our SSSG is what I want to understand.

Rajeev Varman: Yeah, so Navratri doesn't have that kind of an impact, I know where your question is coming from. See, we have a very balanced menu with veg and non-veg, and so we don't see that big a dip during Navratri. We see a small, you know, receding, but this year I can tell you that that the impacts have been minimal, and, you know, the upflow, the the the increase in the traffic into the restaurant has overcome all those significantly. So, you know, I don't think our numbers would have been any different than what we have reported if Navratri was there as well.

Viraj Mehta: Right. And my last question is on is on capability building. You talked about significant increase in in opening up the restaurants, especially next year, and and a large increase when you look at, you know, when we did such a large expansion last time, there was a disproportionate increase, and I understand it was a different management, but there was a disproportionate increase in the rental cost, and some of the stores were much less profitable than earlier expectation. What have we done this this time that we do not see a large part of those mistakes repeating next year, and what capabilities are we building in terms of people, in terms of checks and balances, so that that doesn't happen again?

Rajeev Varman: Look, first of all, I'll just make one comment and then turn it over to Sumit who leads the growth function to to make a significant contribution to this question. First of all, the management is the same, we haven't changed the management. The...

Viraj Mehta: Yeah, I meant the promoters, sorry.

Rajeev Varman: The promoters are new. Look, we have always as a company grown responsibly, right? We we call it responsible growth. We're not going to go away from that. We're not going to suddenly, you know, go a cowboy approach on on our expansion moving forward, and there is no intentions on going radical and and doing expansion that's not thought out, not fully structured. Sumit will tell you in a minute how the pipeline is built and how the pipeline's already ready for next year, so it's not that we are kind of rushing to build restaurant, it's because we find the opportunity, and it's the right thing, and it's going to help this brand actually grow stronger with more EBITDA and more, you know, company-level EBITDA margins. That's why this this potential opportunity of potentially going from, you know, 70, 60, 70 restaurants to maybe 80 to 100 restaurants somewhere in that neighbourhood is potentially possible. Sumit, you want to add something?

Sumit Zaveri: Yeah, I'll just couple of things, Viraj. So Viraj, firstly, we have made certain ways in which we've been looking looking at growth. One is first, obviously, we started with resizing the overall opportunity, which gives us a confidence that there is sufficiently large opportunity that's existing as far as the country is concerned. Secondly, we've kind of obviously invested in the team to make sure that the growth becomes much more much more uniform right through the year. You would have seen the growth that that we have in this in this quarter, and it has started to kind of becoming much more balanced starting from August, August, September, and then as we mentioned at the beginning as well, October we've already opened 12 stores. So we are kind of going in with much more linear growth approach rather than the bulked-up growth approach towards towards the end of the quarter, which ensures that there is enough concentration that happens in every single site that gets that gets opened. And obviously, we've always had our own evaluation matrix with respect to payback and return. Those those continues to continues to be there there.

And then we've started building the pipeline way ahead of of our in terms of our plan. So we are literally now started to look at pipelines for over 6 to 8 quarters then to kind of trying to address the growth for the year. So that's substantial shifts that we've made, which makes sure that we can not only grow at a better pace, but make sure that the decisions of investments are also in the in the right directions. And and what also happens, Viraj, is that you've obviously seen now our store EBITDAs are at 13%. Obviously, there is upside to be taken with respect to leverage, but if you see the focus on profitability with working on various other lines on utilities and all will also help us improve the overall performance, building more confidence in to be able to grow more confidently as we go along. So there is enough check and checks and balances and overall improvement in business, which gives belief, which makes us believe that we'll be able to grow profitably.

Viraj Mehta: Thank you so much, and best of luck, sir.

Gaurav Ajjan: Thank you, Viraj. The next question is from the line of Devanshu Bansal. Devanshu, please unmute yourself.

Devanshu Bansal: Hi, sir, am I audible?

Gaurav Ajjan: Yes, Devanshu, go ahead.

Devanshu Bansal: Yeah, congratulations on very strong performance. Sir, I wanted to check, the SSSGs are pretty strong. Whether there is a difference between SSTG and SSSG for us, and how has this difference sort of panned out over last 4-5 quarters for us?

Rajeev Varman: Yeah, Devanshu, as you know, we don't share SSTG numbers, but I can tell you that all our growth is coming through traffic, as it has been for the last 14 quarters, as Kapil was pointing out earlier. We continue to grow through traffic, and that's the discipline of the first pillar that we have, which is value, and recruiting more and more people into the value and innovation which continues to recruit more people. So we continue to grow through traffic, not through check. In fact, I think for the last many quarters, our check has remained there or thereabouts the same, so it's all coming through traffic.

Devanshu Bansal: So why I asked this question was to better understand if there are mining opportunities. Obviously, you are getting very strong footfalls at your stores, so can mining be the next lever of SSSG growth is what I wanted to maybe qualitatively understand.

Sumit Zaveri: Sorry, you mentioned mining? We didn't, we didn't get you.

Devanshu Bansal: Mining in a way that suppose a customer is coming and spending say 100, whether we see him spending 105 or 110, from that perspective I was asking.

Rajeev Varman: Devanshu, the next, you know, maybe several years also, I think the focus of this company and this team is going to be on traffic increases. I think there is potential to continue to do that for a long time to come. And I think that's where our focus is going to be. You know, the appreciation on check is, you know, contingent to the, you know, the 4-5% that, you know, industry takes in pricing on annual basis, that will continue. There's no, you know, two ways about that, we continue to think in the same tune as we have done in the past, but our focus as a team, this company's focus will continue to be building traffic and building sales through traffic. That's where we are, we are going to be focused.

We do have the Families pillar, we do have the, you know, the the premium pillar that we have on the LTOs, which we run, those continue to kind of build up, and you will see some check appreciation as more and more people kind of indulge in that pillar of our business, but that's not the intention is not to try to drive, you know, more out of the same customer, it's about to bring different types of customers into our into our business, and families will give you some check, the innovations pillar will give you some check because Peri-Peri and, you know, Korean were all in the 200 rupees range as products, so those will give you check, and as those burgers continue to grow, as Kapil was saying, there was a 30% increase in the quantity we sold year-over-year from season Korean 1 to 2 to Peri-Peri, and as that grows, that will continue to drive more check in there, but the intention of the team is to continue growing through traffic.

Devanshu Bansal: Got it. And this small bit, wanted to check if in our P&L, the cost inflation is largely baked in Q2 numbers or there are certain line items where it has not been fully booked in, and if you could just comment because inflation is around food, employee, and utility, right, so if you could just throw some comments there.

Sumit Zaveri: So the entire inflation impact, whichever lines that we've had, has obviously been completely taken care of in our quarterly results that we've that we've announced. Rather, Devanshu, we would really want to kind of mention that the efficiency work or efforts that we've kind of put into our overall P&L, especially let's say in the line of utilities, and we've been talking about this, that we've make some investments, we've literally been able to negate the entire inflation impact, and this has nothing to do with leverage. I'm talking purely from the perspective of effort that the team has put in order to offset the overall inflation impact.

I do, your, I I did hear you talking about labor as as well, and yes, this has been a point of discussion. I can assure you that in any case when we always plan our year, we do reasonably kind of plan for inflation on the labor side, especially minimum wages, because we've seen the trends, so there's absolutely fully fully taken care of, and we can tell you that it's not a it's not a number or an inflationary impact which upsets our which upsets our P&L, because we plan accordingly when we really kind of start at the start of the at the beginning of the year, including some of some of the higher impacts that could that could come our come our way.

Efficiency is going to be one of the key levers for us to continue to grow grow with as far as our our P&L is concerned. On the gross margins, we are we were at around 70.4, 70.5%. We we believe strongly about about those levels there, and and then, you know, we will see how we take this journey forward to improve from that levels. We we obviously have our our at least path defined. Yes, it is unlikely to be linear, as we've always been mentioning, but we would take the journey forward when we when we kind of start to see the the build-up to be we being able to build up from the current current levels. But we do feel very strongly about the current levels of margins that we have.

Devanshu Bansal: Thank you, thank you, sir, for these detailed answers. All the best to the team.

Gaurav Ajan: Thank you, Devanshu. The next question is from the line of Manjeet Buaria. Manjeet, please go ahead.

Manjeet Buaria: Hello, am I audible, Gaurav?

Gaurav Ajjan: Yes, Manjeet, you're audible. You can just speak slightly louder.

Manjeet Buaria: Okay. So thank you, good evening everyone, and, you know, first appreciate the consistent effort, you know, over the past many years you've made BK into a very strong franchise, so, you know, thank you for that. I've just one question. You know, how is the team thinking about allocating the excess capital which we now have after the primary raise, between seeding some new brand in India versus acquiring some existing platform? You know, if you've had some chance to discuss this and have some framework around it, thank you.

Rajeev Varman: Thank you, Manjeet. I think this this question came up last time as well. See, the promoters just came in in July, and, you know, the the entire, you know, capital, so there's some capital to come in as well with the warrants, so so we we are working together with the promoters. We will come back, like I said, on the last quarter with a very robust plan on how we're going to move forward with that. But right now, you know, we are strengthening our our business here, there's a growth potential over here. We are investing in in our, you know, infrastructure in terms of, you know, utilities, efficiency in in our equipment that we are using, that that work is continuing. We're also making Indonesia business very strong. So we continue to do that, and we will come out with a plan for for that capital. Rest assured, we we are we are very excited about it, but we will we will do a responsible plan, and then we will share it at due time with you all.

Manjeet Buaria: Okay. And just one more question on Indonesia. You know, I think I read in today's release that if I'm not mistaken, we are going to sort of put primary capital of 130 Indian crore rupees in that, am I right?

Sumit Zaveri: So you're right, Manjeet. So this was something which we had planned at the start of the year. We're just seeking approvals from the board as as we kind of start to see some milestones being hit in as far as Indonesia business is concerned. Some part of it was always planned from the perspective of supporting the business from loss and working capital improvement. One of the pillars that Raj was mentioning when he he took us through the Indonesia part was to improve the overall quality of existing asset that we have in Indonesia with a with a shift in performance in the Burger King side, almost 35 ADT growth now visible in BK Indonesia business. We feel that we should start looking at improving the quality of asset in Indonesia, and hence we've set that money aside for for improving the quality of asset. That's that's literally the plan. And, you know, obviously we've taken the

approval for the entire money that could go in. You would not see us remitting the entire block at one go, it will go in tranches based on based on the milestones or based on the performances that that we be that we would want the Burger King business to Indonesia business to kind of continue to continue to achieve. So yes, what you read or what we've made an announcement is absolutely correct, Manjeet, from your side, but it is it is going to be done on the basis of need and as we take the entire Burger King Indonesia business forward.

Manjeet Buaria: Got it. And Sumit, we had sort of stopped expanding Burger King India because we wanted to fix the basics, and I think data is showing that, you know, we've sort of stemmed losses, restaurants are, you know, consistently profitable at that level. So do we envisage, you know, starting to grow Burger King Indonesia again in terms of stores, etc., over the next 3-4 years now?

Sumit Zaveri: Not, so we we are still not put up the plan for growth of or adding new stores in Burger King Indonesia, Manjeet. At the at this point in time, still the focus is going to be how do we strengthen the existing the existing business. There we will, you know, once we've kind of completed the cycle of improving the overall asset quality and see how the overall performance of Indone, BK Indonesia kind of start to stack up, we will go back and then at that point in time go back and revisit from the growth perspective. So at this point in time, we still believe that growth by adding new stores is still not an immediate strategic priority as far as Burger King Indonesia is concerned.

Manjeet Buaria: Thank you, thank you for taking the questions.

Gaurav Ajjan: Thank you, Manjeet. The next question is from the line of Dhairya Trivedi. Dhairya, please go ahead.

Dhairya Trivedi: Am I audible now?

Gaurav Ajjan: Yes, Dhairya, you're audible now. Please go ahead.

Dhairya Trivedi: Yeah, so congratulations on a very strong set of numbers. All my other questions have been answered, just that one bookkeeping question. What is the current cash on the balance sheet as of H1 FY27?

Sumit Zaveri: So we, Dhairya, the capital that got infused by the by the through the primary capital, that is the level of liquidity that we have on our balance sheet. The amounts are obviously sitting, might be sitting in multiple lines in terms of cash and liquid investments that we would have placed. But the total amount that we have on our balance sheet is close to 1,000 crores. And and then obviously there is another warrants that are to that that could give us another 450-odd crores of cash. So liquidity is liquidity is at 1,000 crores.

Dhairya Trivedi: Sure. And how much of that are we, you know, planning to, you know, use it in expansion?

Rajeev Varman: Currently there, like I said, you know, our EBITDA is, is going to provide us enough money to to build restaurants next year. If we do plan to accelerate that growth, we will look at that, but currently there's no plan to use that capital for growth in India at all. You know, we will make a plan, robust plan, we will share, you know, whether it is acceleration in in BK front or whatever those those strategies are, we will share with you. Like I said, the promoters are just in in July, and and we are we're working very closely with them to formulate a forward strategy for for those for those funds.

Dhairya Trivedi: Sure, and just one last question. I mean, is our focus only on Burger King India with, you know, these funds or are we looking at something else also?

Rajeev Varman: Dhairya, again, we will come back to you on that as we formulate that strategy. Currently we're just, you know, just having good conversations. Once we start solidifying conversations, we will put the strategy together.

Dhairya Trivedi: Sure, thank you and all the best.

Rajeev Varman: Thank you.

Gaurav Ajjan: The next question is from the line of Naveen Koushik. Naveen, please go ahead.

Naveen Koushik: Yeah, hi, congratulations on a good set of numbers. So I just want to ask my first question on the gross margins. So essentially my understanding is that for the last few quarters, the line items or rather the constituents that are helping us improve our gross margins have been pretty much consistent, you know, with the broilers and like the energy efficiency initiatives and all that stuff. So and like, you know, what we see is we've kind of comfortably overachieved on the targets we set before. So this is a small two-part question. I want to understand what went better than we expected when we set the targets for the, you know, 69% gross margin by FY29 if I remember correctly, and what other things do you see helping us kind of move the gross margin up from here? So I'm not expecting any numbers, just want to know what you see on the table with respect to gross margins for the next 3-4 years maybe.

Rajeev Varman: Good, good thought process, Naveen, I, you know, you're thinking very almost like how we are thinking here as a team as well, right? So see, some of this stuff that we're doing right now, whether it's on the solar, whether it's on the energy efficient equipment, this is continuing, right? We we will start realizing a lot of this going into the next year. So line part of these line items, you will continue to see margin improvement expansion in every line item over there, right?

Now when it comes to gross margin, you know, because of our cluster approach, there is benefits on that cluster approach itself, right? When we build more restaurants around a DC, we find those benefits roll down to those restaurants, you know, because the ship is becoming bigger and bigger, so when you see those in few restaurants, the magnitude on the entire P&L is smaller, not visible sometimes, but those those those efforts continue, and those restaurants continue to add value as they kind of grow around the DCs.

But there's also organically, you see when you start buying for 800 restaurants versus 600 restaurants, your ability to leverage on scale kicks in, and that those leverages will continue, right? Those those will not stop, and we've got a very strong supply team. We we just got Deepa into our team just recently. She has come in with some splendid ideas. Then there's always a constant work on improving, you know, our existing packaging and so forth. So those efforts continue. They we've got internal targets the supply chain has and and the team has, and those are those are something that we take very seriously and continue to deliver on those on a year-over-year basis, so you will see some some progress in that direction as we move forward, and then a lot of stuff will come through leverage as we kind of continue to build volumes.

Naveen Koushik: Got it, sir, that's been very clear. My next question and my final question is on the Indonesia business. Now, just want to understand two like different viewpoints on what's been going on, right? So I'm not trying to question our views on the like, you know, potential for that market, current views and our like, you know, views when we acquired the business, I think all that is very clear. What I'm trying to understand is, so we've infused a certain amount of, we acquired the business, it was a certain amount of money, we've infused a certain amount of money into the business, and we're at a particular position in the business that is not quite strong in my opinion, please feel free to disagree on that. My entire understanding is, how do we view this dynamic, you know, as a, you know, management, and maybe some thoughts of the new promoters on this dynamic as well? So, you know, with respect to numbers, is there any expectation on how much this equity investment is supposed to do, or is there any aspiration, target, like from that perspective? Thanks a lot.

Rajeev Varman: Naveen, very, very good question actually, and and feel free to ask them. Look, you know, we we've worked very hard in Indonesia in very difficult circumstances, right? We had the boycott number one, and then we had the boycott number two. Luckily, these things are so far behind now in Indonesia. I'm not just talking about our business, I'm talking about the industry at large, and I'm talking about the Western QSR industry at large, has started moving in the North direction quite rapidly.

And this new, you know, promotion that we just started a few a few weeks back, a little over a month, has started to give us kind of results that we never imagined, right? And some of it is because the industry is moving the right direction and and the, you know, the effects of the boycotts are are far and

behind us from from the customer perspective, those sentiments are gone, long gone. So some of the the tailwinds are from there, but also a very strong promotion that Sandeep and his team has put together, which is doing really well.

Now as we saw these things, we are now looking at the asset, and, you know, and a lot of the things that we're doing to improve the asset is going to help drive more traffic into the restaurant and more repeated frequency into those restaurants, right? So we we feel very strongly about where we are now, you know, you're right in saying this, the business was not strong, in fact, it was far from being strong in the past, but we see these green shoots, and we see this moving forward.

We haven't made an investment into the asset in the past because we didn't see the traffic, we tried several, you know, value promotions and value, you know, strategies over there, we did not make any progress because every time we did something, there would be a boycott or there would be some kind of uprising there that would negate a lot of our efforts. But what we've seen in the last, you know, six weeks or so is a dramatic increase in traffic into our restaurant. In fact, the outskirts restaurants are doing far more than even 35 traffic per day per restaurant increase, and this is really good welcome news.

If you go back and look back at this business when it was, you know, pre-COVID, this used to be a business that drove 15% restaurant-level EBITDA. This was a business that had a ADS of 27 million, you know, IDR on a daily basis per restaurant. So we think that there is some, you know, good momentum, and we would like to, you know, now support that momentum by doing all the right things with our assets, and I think we can build this into a strong business, and we we are doing this very disciplined, with a lot of, you know, sincerity that we think that this is going to go in the right direction, we should actually stand behind the team and move this and capitalize on what we invested far long four years ago, over four years ago, now I think is a good time for us to not shy away from this, but to double down and actually build a very strong business for the future.

Naveen Koushik: That's very clear, sir. Just one small follow-up maybe on that. So in addition to the strength in the business that you're seeing, is there any financial metric with respect to like the return on the invested capital that we look at, like is there something along those lines that you also judge before making capital allocation decisions for this business?

Rajeev Varman: You know, the current, you know, like Sumit was saying earlier, we're not building new restaurants over there right now. We have no plans to do that this year, we have no plans to do that next year. There's no plans to do that. The plans are to fix the current assets, to get the sales as close as possible to where we used to be in the past, to start to get the margins, the EBITDA margins to back to where they were at the past, the investment in marketing is to bringing the sales back to where it was in the past. So those are the efforts, so our results will be the the the efforts and the and

the results will be tallied on the fact that how close we get there, how do we get to that back to that 15% EBITDA margin, how do we get back to that 27 million ADS?

The target that that I had set with the with the team over there before I came in, full honest, you know, sharing with you, is is to improve every restaurant on a daily basis by 5 million IDR per day per restaurant. That's the target we have set with the team as we have come in, and all the efforts and all the investment that are going into the assets, into the marketing, into all the all the promotions we're doing there, is to get first capitalize that 5 million. We're sitting at right about 19-20 million ADS, that gets us to about a 25 million ADS, that will give us a fantastic restaurant-level EBITDA.

Naveen Koushik: Got it, sir, very clear. Thanks a lot, and all the best for a good quarter ahead.

Gaurav Ajjan: Thank you, Naveen. That was the last question for the day. Sumit, any closing comments?

Sumit Zaveri: Thank you. Thank you, Raj, for this. One is, we we are as a team, honestly, very happy with the way the business is is building. It's not just about the performance that we've delivered for the quarter, but also the way we've delivered, we are getting ready to make sure that we are able to continue on to the momentum that we have on our side. We can only assure you that we are not kind of thinking that this is this is a result of, like, external factors, purely at the back of the shift in the overall external factors.

But we are getting ourselves ready, and you saw one of the glimpses of what Kapil mentioned about through the co-branded program that we're talking about. We are getting ourselves ready not just for coming quarters, but for the quarters to come, saying that how do we continue to build on to the momentum that we have on our side, and that is something is a thinking that we will continue to have, whether it is on the revenue side as we go forward, or on the efficiency side as we grow forward. So we will not sit purely on the back of saying that the momentum is there on our side, and so we will continue to do better, that's not the thinking with which we are going ahead with. We are going to push ourselves hard to make sure that the momentum adds on to the effort that we put at our team.

With that, thank you very much for continued support that you've always had as as investors, or as friends, or as guests, or customers. The last thing that I would do at is with all the effort that our team has put in, we would really want you all to see into our into our restaurants as we go into the as we go into the festive season, and all the all the best and all the good wishes for the coming festive from everybody on this side. Thank you.

Rajeev Varman: See you in our restaurants. Thank you very much.

Kapil Grover: Thank you very much.

Gaurav Ajjan: Thank you all for joining in. You may now disconnect your lines. Thank you.

Naveen Trivedi: Thank you, everyone.

(This transcript has been edited for clarity and readability without altering the substance of the discussion.)