

DEVYANI

INTERNATIONAL LIMITED



Management Presentation

July 2021



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Agenda

I Introduction to DIL

II Key Strengths and Strategies

III Core Brands

IV ESG & CSR Initiatives

V Appendix

Devyani International – Brief Snapshot



- Devyani International's promoters are Mr. Ravi Kant Jaipuria, Mr. Varun Jaipuria and RJ Corp Limited
- Mr. Ravi Kant Jaipuria has over three decades of experience in conceptualizing, executing, developing and expanding food, beverages and dairy business in South Asia and Africa. He has an established reputation as an entrepreneur and business leader and has been instrumental in the growth of the Company.
- RJ Corp is a diversified conglomerate focused on food & beverages (carbonated beverages, ice-cream and others)



Largest franchisee of Yum Brands in India⁽¹⁾



Relationship with Yum since 1997 with opening of 1st Pizza Hut store and Yum acquiring 4.76% equity stake in the Company in FY21

3 Core Brands - 640 stores⁽²⁾



296



300



44



Sole franchisee⁽¹⁾ for KFC and Pizza Hut in Nepal and KFC in Nigeria



Acquired 73 KFC stores from Yum between FY19-21



FY21 Revenue – INR 11,348mn With 20% EBITDA margin⁽³⁾

Journey so far



Above mentioned years are fiscal years
1. Source: Yum Brands 2020 Annual report.

Distinguished Board and Experienced Senior Management Team

Board of Directors



Ravi Jaipuria
*Non-executive
Director*



Varun Jaipuria
*Non-executive
Director*



Raj Gandhi
*Non-executive
Director*



Virag Joshi
*Whole-time
Director, President & CEO*



Manish Dawar
*Whole-time
Director & CFO*



Ravi Gupta
Independent Director



Rashmi Dhariwal
Independent Director



Naresh Trehan
Independent Director



Girish Ahuja
Independent Director



Pradeep Sardana
Independent Director

Senior Management Team



Virag Joshi
*Whole-time
Director, President & CEO*



Manish Dawar
*Whole-time
Director & CFO*



Rajat Luthra
CEO, KFC



Amitabh Negi
CEO, Pizza Hut

Key Strengths and Strategies



Well Recognized Brands Across Spectrum and Key Consumption Markets

| | Core Brands (3 International Chain QSR Brands) | | | | | Others (Own / 3 rd Party) |
|--|---|---|---|---|---|---|
| | India | | | International (Nepal & Nigeria) | | India |
| |  |  |  |  |  |  |
| | | | | Nepal & Nigeria | Nepal | & Other Brands |
| Type | QSR | QSR | Coffee | QSR | QSR | QSR |
| # of stores⁽¹⁾ | 264 <i>(50 net new stores opened during H2'21)⁽⁴⁾</i> | 297 <i>(39 net new stores opened during H2'21)⁽⁴⁾</i> | 44 | 35 ⁽³⁾ <i>(32 KFC, 3 Pizza Hut)</i> | 50 | |
| % of FY21 Revenue from Operations | 57% | 26% | 2% | 10% | 5% | |

Core Brands – 95% of FY21 revenue

Devyani International is among the largest operators of chain QSR in India⁽²⁾

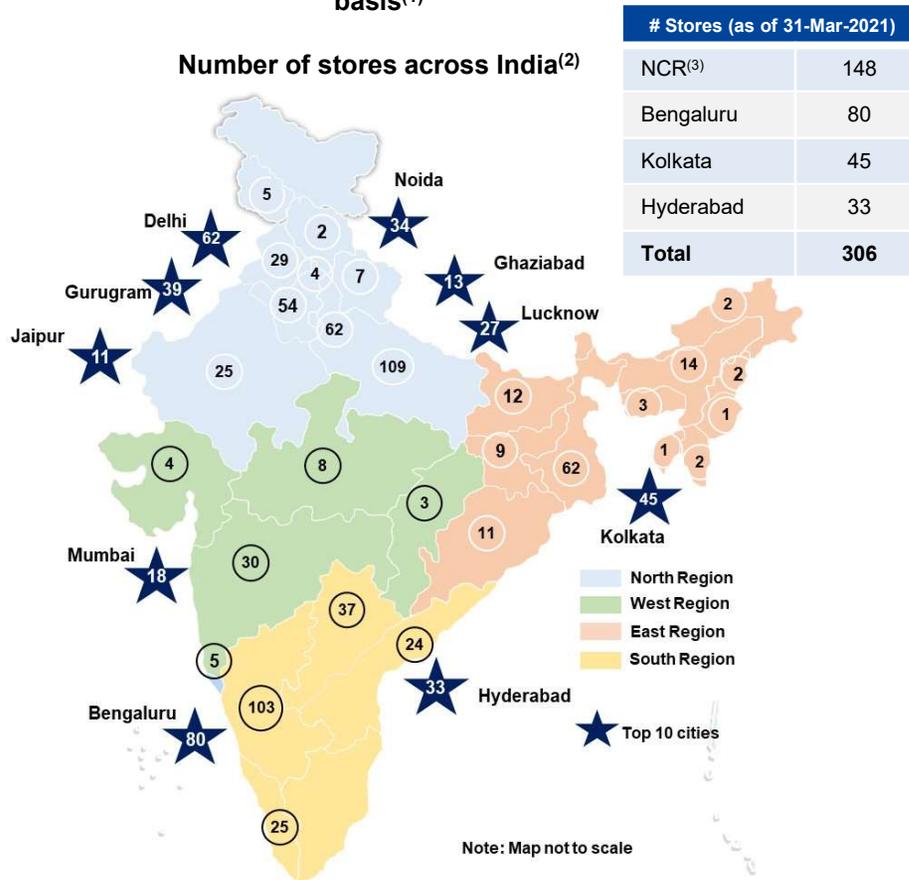
1. Number of stores as of March 31, 2021.
2. Source: GlobalData Report
3. The Company has 37 stores internationally including 2 stores of other Brands.
4. Number of net new stores opened during the period includes acquired KFC stores.

Offering Variety... from Fried Chicken, Pizzas & Burgers to Coffee & Dosa

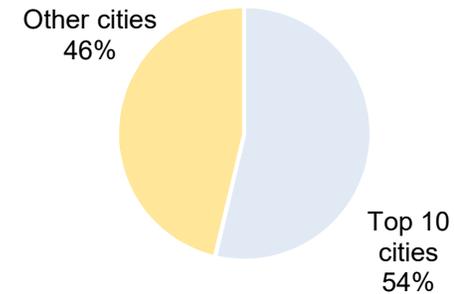


Presence across Key Consumption Markets with a Cluster-based Approach

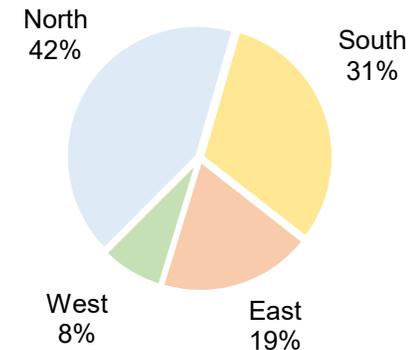
Largest franchisee of Yum Brands in India on a non-exclusive basis⁽¹⁾



Core Brands (India) - Cluster based spread



Core Brands Presence (India) - Region-wise



Operating 655 stores across 155 cities



Strong presence in key metro cities



Cluster-based expansion approach

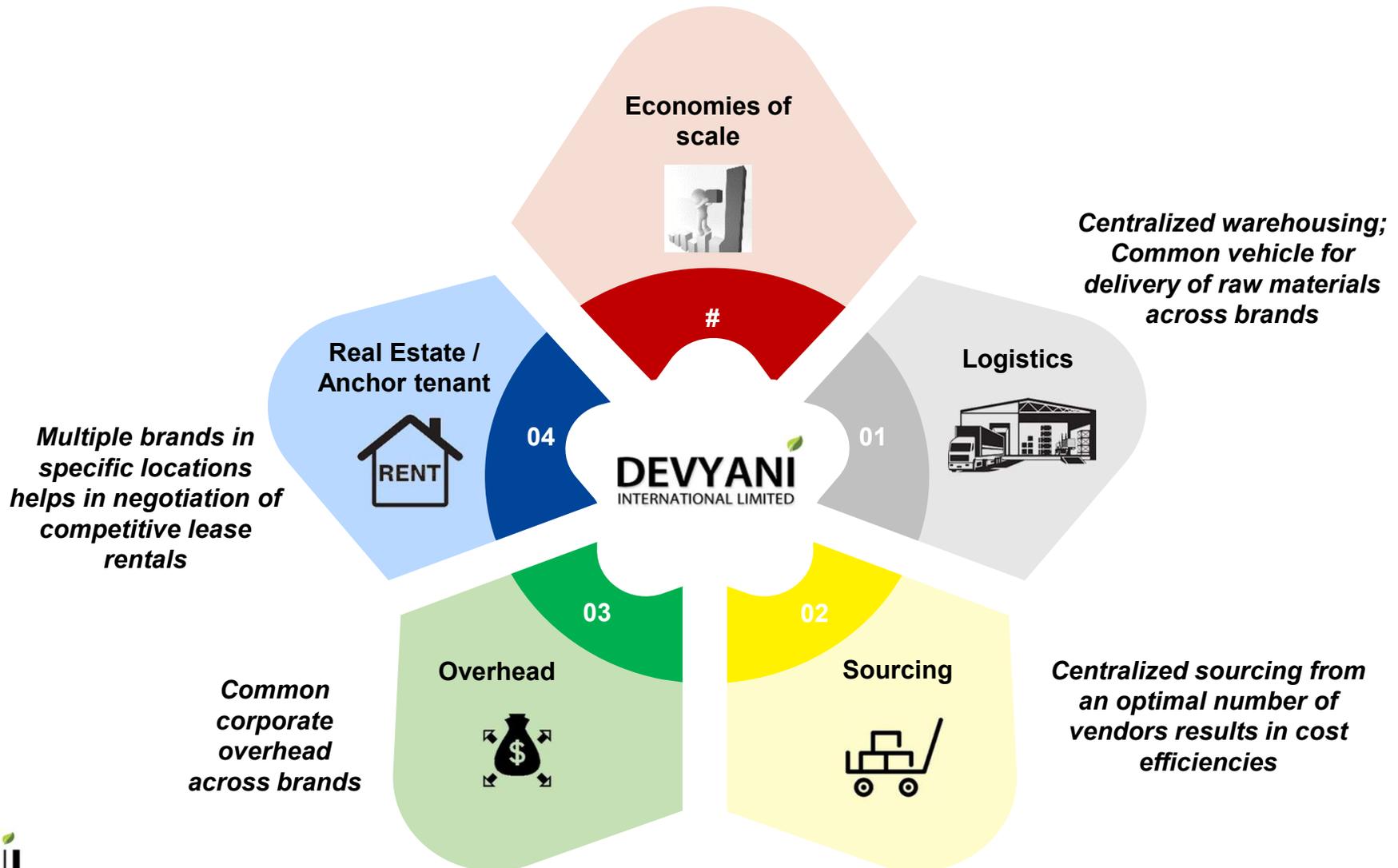


Augmenting presence across Tier II & III cities



1. Source: GlobalData Report
2. Number of stores in India including core brands and other brands as of March 31, 2021.
3. NCR number is the sum of outlets in Delhi, Gurugram, Noida and Ghaziabad. It does not include stores in Faridabad.

Cross Brand Synergies leading to Operational leverage



Multiple Brands at One Location



Strong Emergence Post Covid-19

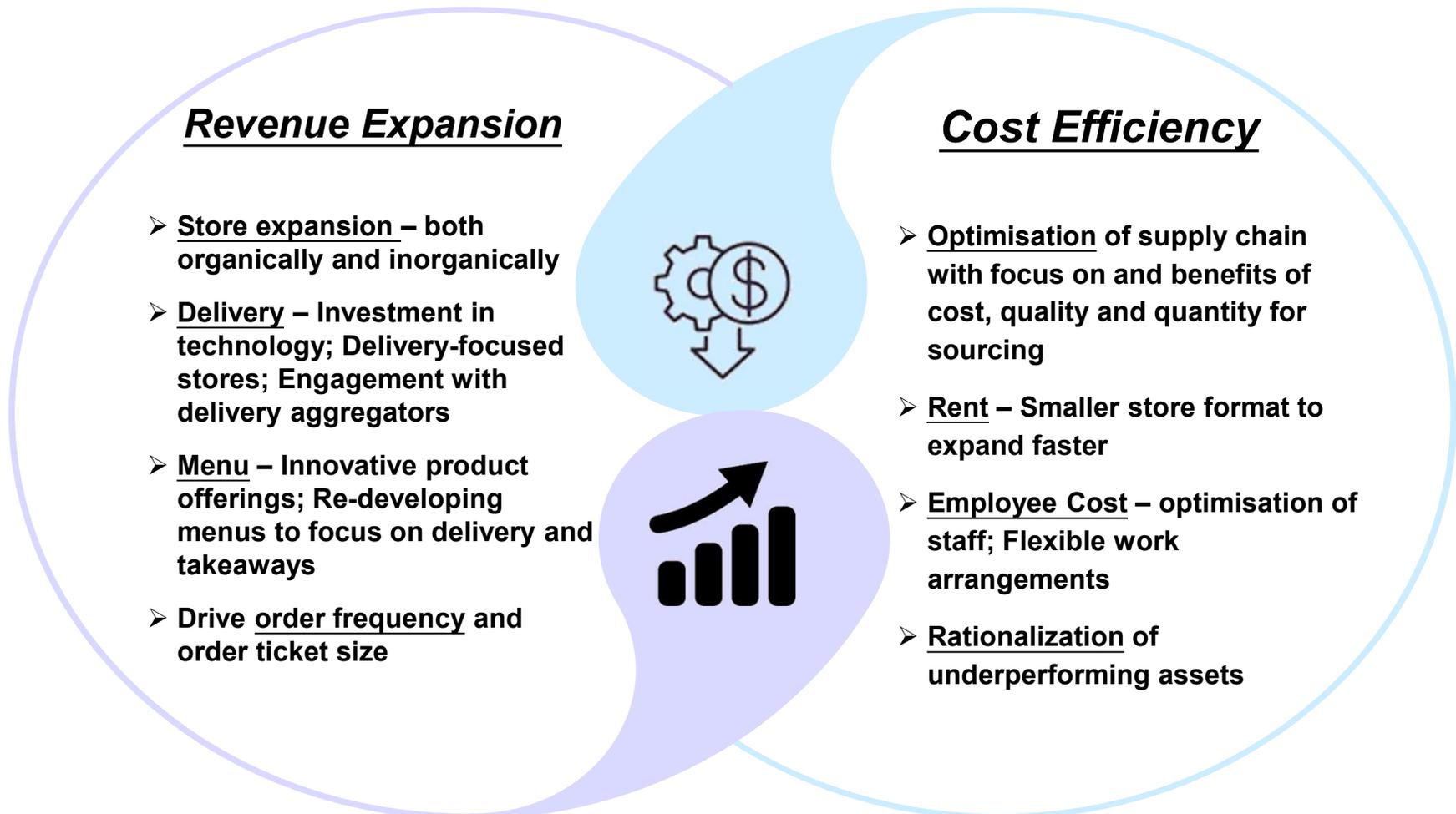
- 1 **Divestment of early stage TWG tea business & rationalization of non-performing airport/stores**
- 2 **Rentals reorientation (terms renegotiation like revenue sharing instead of fix rental etc.)**
- 3 **Menu re-engineering**
- 4 **Store format rationalization (smaller formats leading to quick turnaround and faster store development at lower cost)**
- 5 **Benefits from integration of KFC acquired stores from Yum – cash neutral transaction**

Brand Contribution Margin (Pre Ind AS 116 Adjustments)⁽¹⁾

| Core Brand (India) | FY20 | | FY21 | Q4'21 |
|---|------|---|------|-------|
|  | 16% | → | 18% | 23% |
|  | 11% | → | 13% | 15% |
|  | 21% | → | 16% | 30% |

1. Brand Contribution is calculated as revenue from operations at the store less (i) cost of materials consumed at the store; (ii) employee benefit expenses of employees at the store; and (iii) other expenses at the store level. Not adjusted for the impact of Ind AS 116. Brand Contribution Margins has been calculated as a percentage of revenue from operations

Focus to Improve Unit Level Profitability

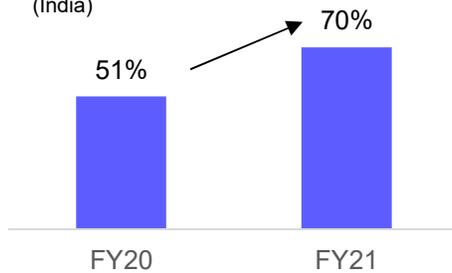


Store expansion with focus on bringing cost efficiencies at each level to result in higher profitability

Focus on Digital Adoption

Revenue generated from delivery sales in Core Brands (India)

% of revenue from operations in Core Brands (India)



Among the largest QSR companies in India listed on the Zomato platform in the CY19 and CY20



Among the single largest QSR companies in India that is listed on Swiggy



Digital Ordering across Brands



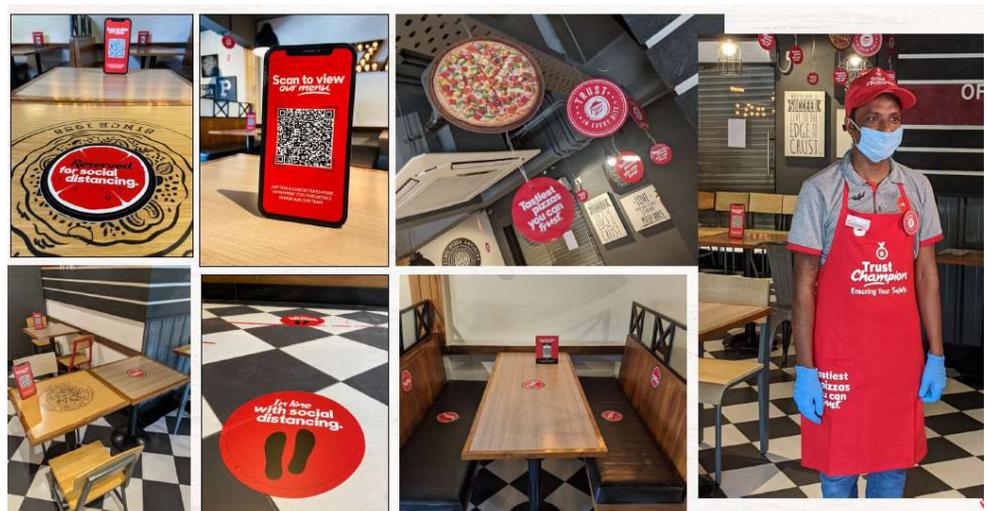
Customer Feedback



Mode of Payment



Focus on Safety and Hygiene



Movement in Gross Margin and Brand Contribution Margin



(India Business)



(India Business)



(India Business)

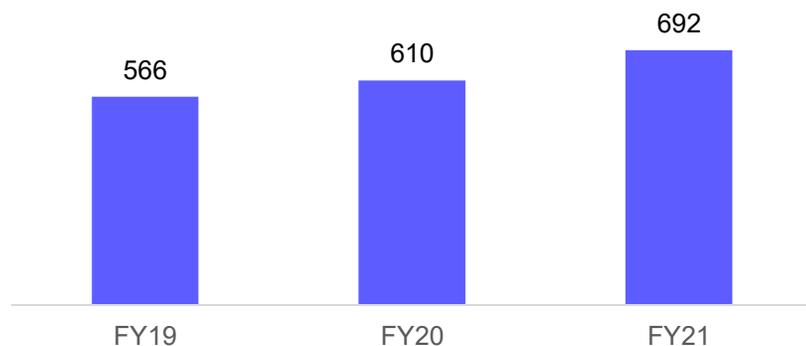


| | KFC (India Business) | | | Pizza Hut (India Business) | | | Costa (India Business) | | | Devyani INTERNATIONAL LIMITED |
|--------------------------------------|-------------------------|------------|------------|-------------------------------|------------|------------|---------------------------|------------|------------|----------------------------------|
| | FY21 | Q3'21 | Q4'21 | FY21 | Q3'21 | Q4'21 | FY21 | Q3'21 | Q4'21 | FY21 |
| Revenue from operations (INR mn) | 6,443 | 2,211 | 2,540 | 2,879 | 951 | 1,036 | 214 | 76 | 85 | 11,348 |
| Revenue from operations (%) | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Cost of materials consumed (%) | 32% | 33% | 30% | 26% | 26% | 24% | 21% | 23% | 21% | 31% |
| Gross Margin (%) | 68% | 67% | 70% | 74% | 74% | 76% | 79% | 77% | 79% | 69% |
| Employee benefit expenses (%) | 7% | | | 9% | | | 8% | | | 8% ⁽³⁾ |
| Other expenses (%) | 43% | | | 52% | | | 55% | | | 47% ⁽³⁾ |
| Brand Contribution Margin (%) | 18% | 19% | 23% | 13% | 16% | 15% | 16% | 36% | 30% | 14% |

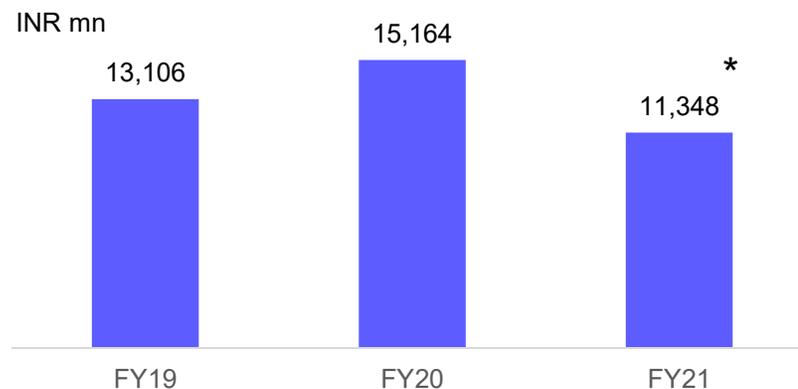
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3. Employee benefit expenses and other expenses are expenses for KFC, Pizza Hut, Costa, International business and other business / revenue from operations

Disciplined Financial Approach

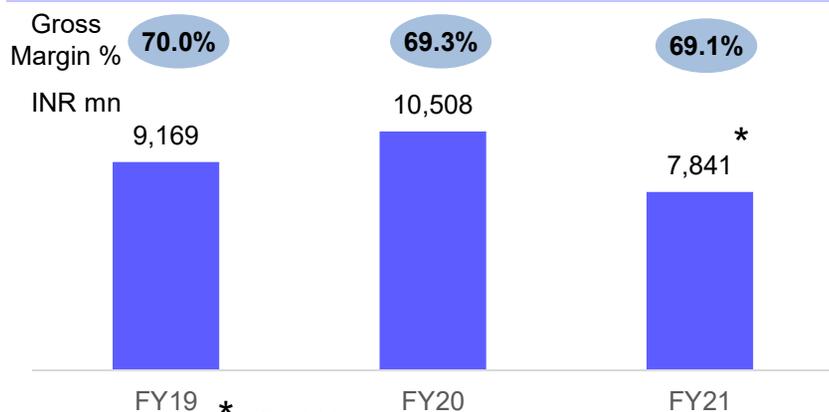
Total number of stores⁽¹⁾



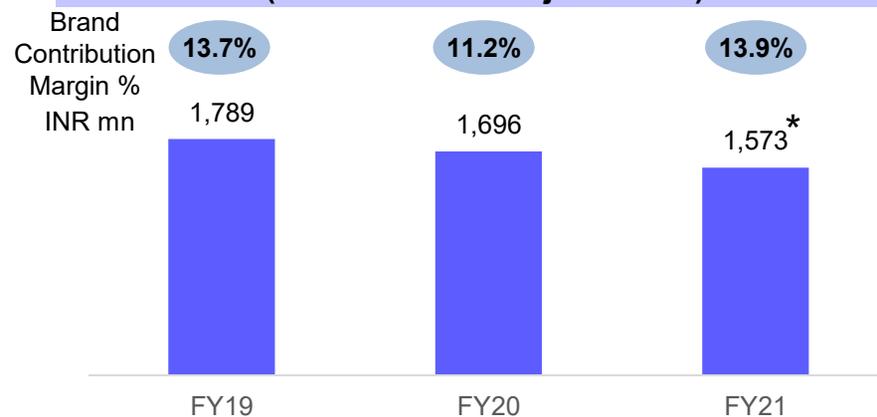
Revenue from Operations⁽¹⁾



Gross Margin^(1,2)



**Brand Contribution Margin^(2,3)
(Pre Ind AS 116 Adjustments)**

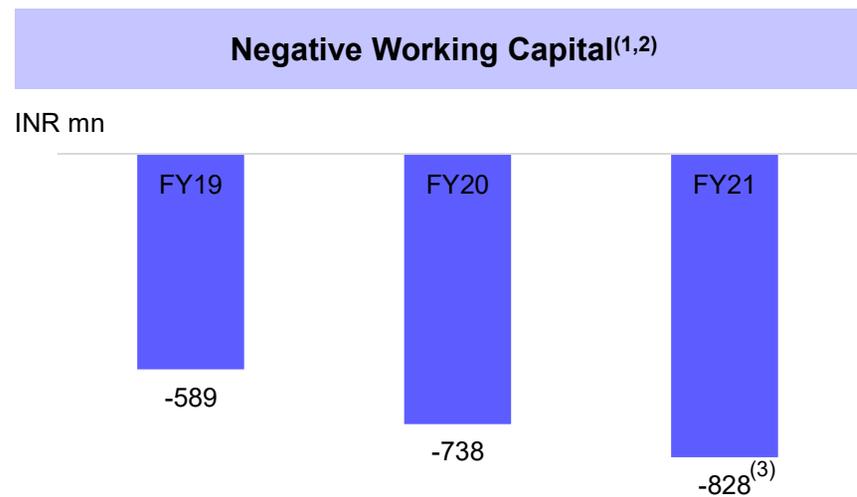
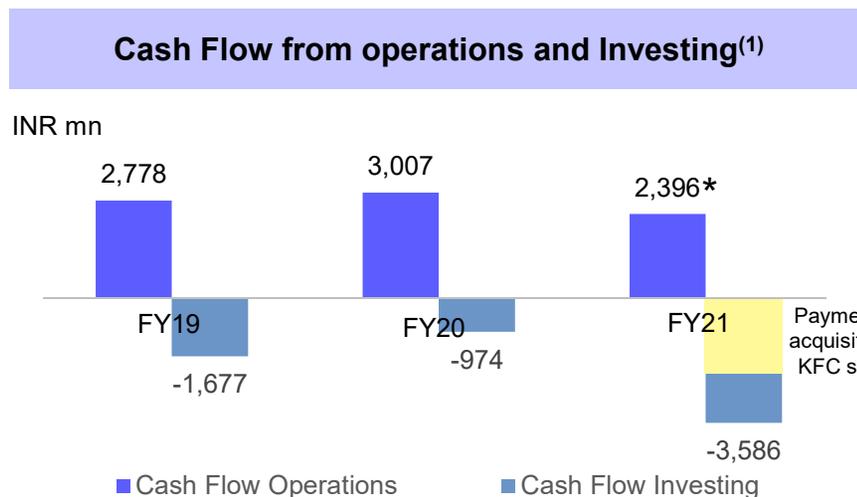
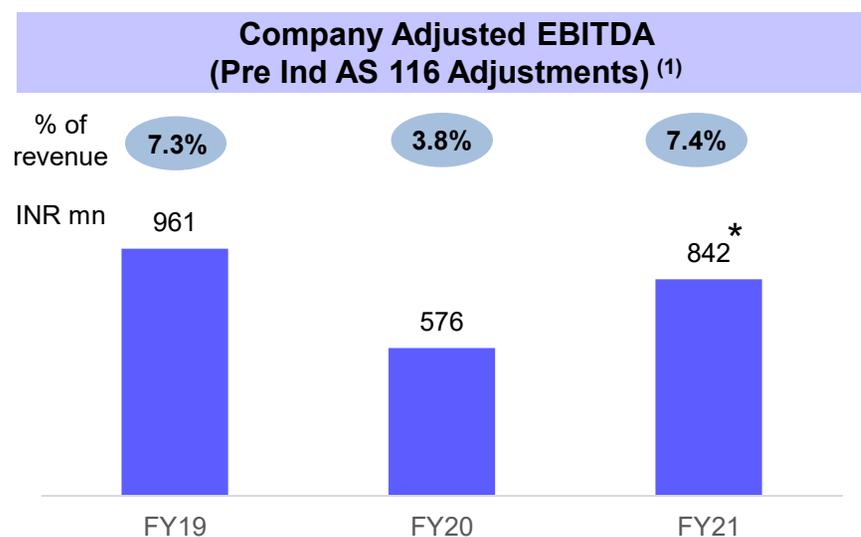
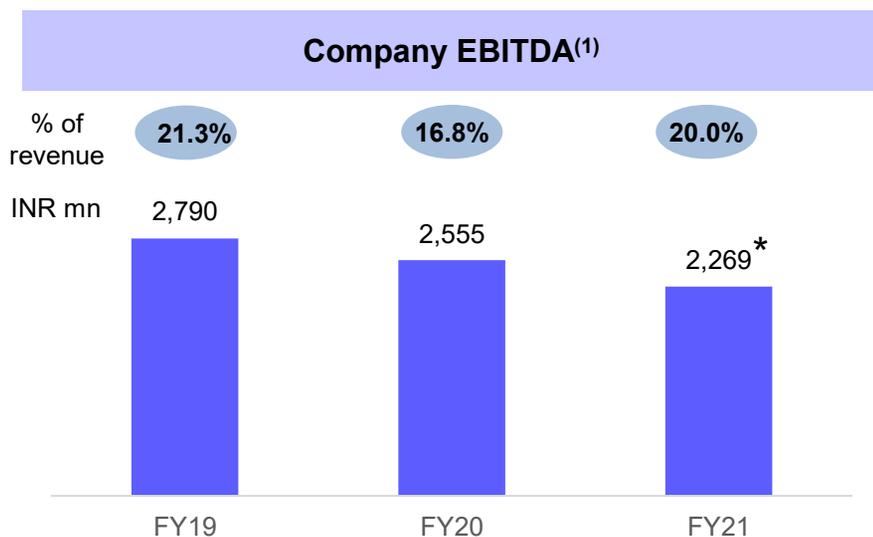


Covid Impact

1. These numbers are for overall Company i.e. Consolidated basis.
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Disciplined Financial Approach (Cont'd)



* Covid impact

1. These numbers are for overall Company i.e. Consolidated basis.

2. Working capital has been calculated as Trade receivables + Inventories – Payables

3. Working capital is as of 31st March 2021. The business had bounced back in the H2'21 post Covid hit in H1'21.



Key Business Agreements – Terms



| | | | |
|--|--|--|---|
| Formats | Larger format with full dine-in capacities and small-store formats to cater to delivery/ take-away orders with limited seating | Larger format with full dine-in capacities and small-store formats to cater to delivery/ take-away orders with limited seating | Full retail stores at high-street locations and malls, and branded kiosks |
| Ownership Details | Franchisee for Yum | Franchisee for Yum | Franchisee for Costa International |
| Store License + Renewal period | 10 + 10 (yrs) | 10 + 10 (yrs) | 5 + 5 (yrs) |
| Royalty (% of revenue) | 6.3% | 6.3% | 6% |
| Marketing Contribution⁽³⁾ | 5% to Yum and 1% for local stores marketing | 5% to Yum and 1% for local stores marketing | 2% |
| Initial Fees⁽³⁾ | \$ 53,400 / per store ⁽²⁾ | \$ 26,700 / per store ⁽²⁾ | £ 500 / per store |
| Renewal Fees (after 10 yrs)⁽¹⁾ | \$ 26,700 / per store ⁽²⁾ | \$ 13,550 / per store ⁽²⁾ | NA |



Core Brands – KFC



Unique Offering of Fried Chicken



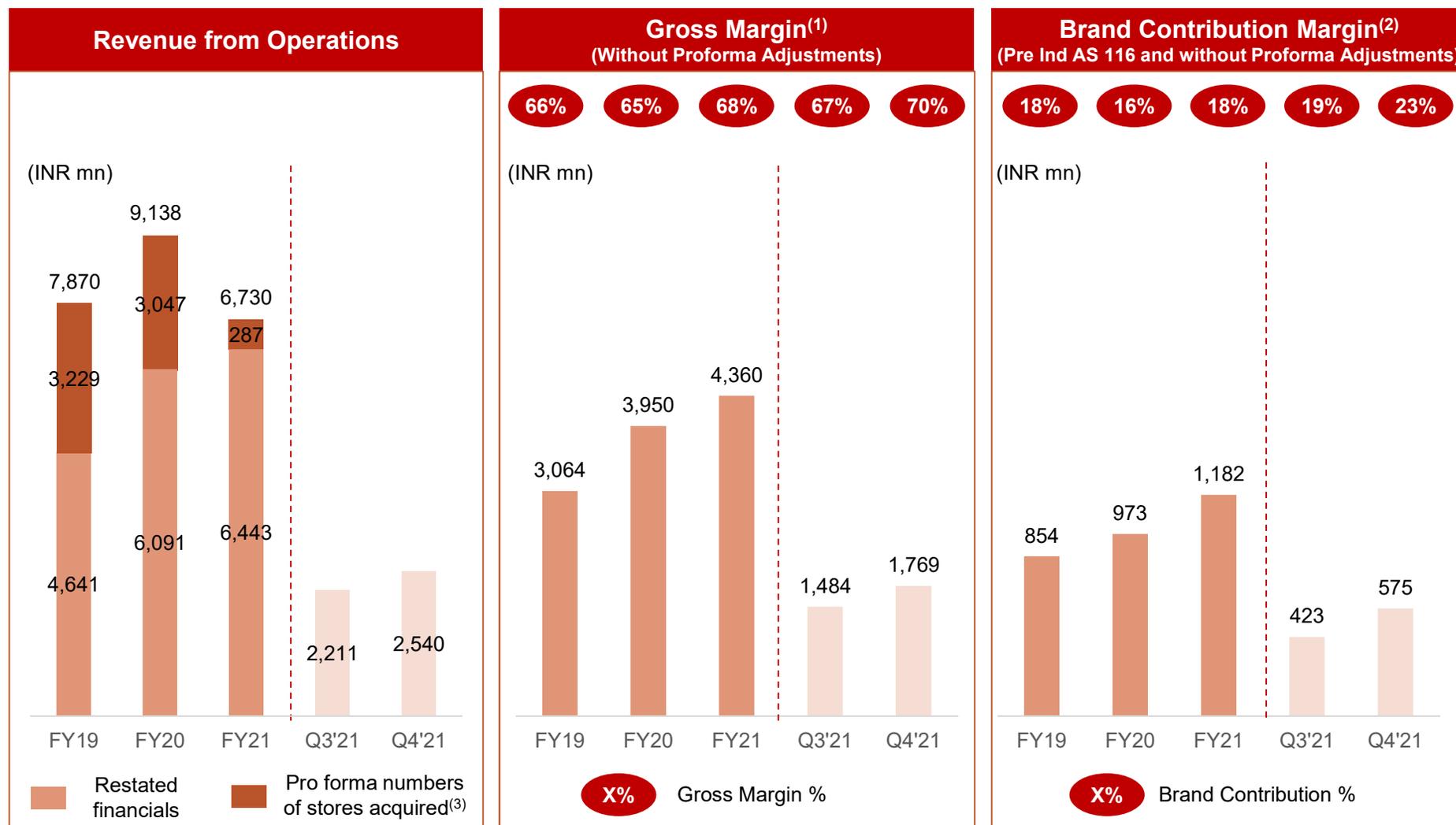


Innovation & Value Proposition





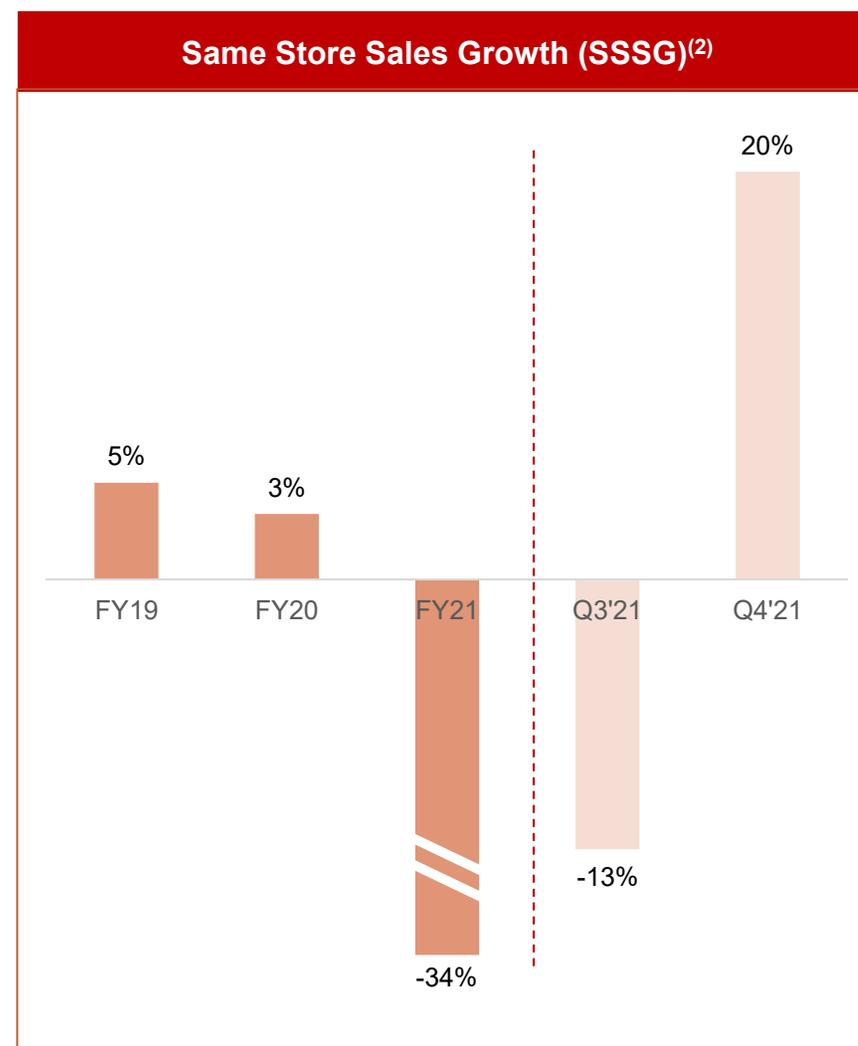
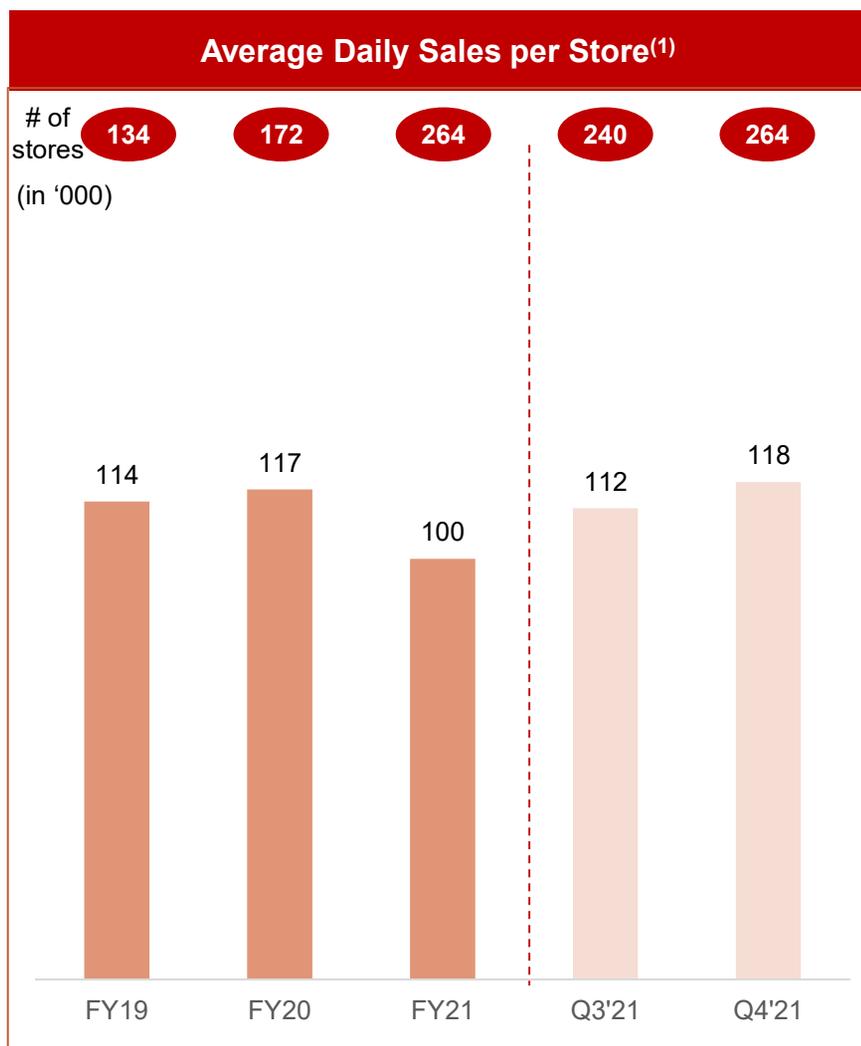
KFC India – Financial Snapshot



- Gross Margin is calculated as revenue from operations less (i) cost of materials consumed at the store level; and (ii) purchase of stock-in-trade
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- Pro-forma numbers assuming the KFC Store Acquisition had taken place with effect from April 1, 2018



KFC India – Operational Snapshot



1. Average daily sales is calculated by dividing store sales by number of days these stores were operational during the period
2. Same-store sales growth represents the period-over-period percentage change in net revenue from operations of all stores that have been open prior to the first day of the previous fiscal year and were operational in both fiscal years.

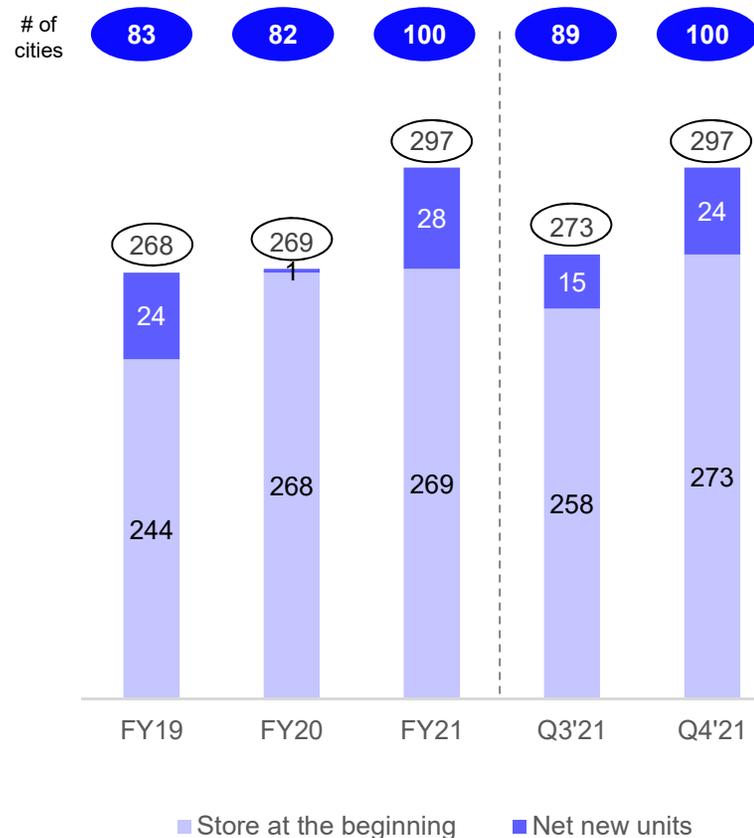


Core Brands – Pizza Hut



Pizza Hut India Presence – First Store in 1997

297 stores across 100 cities in 20 states and 3 UT⁽¹⁾



Right to open and operate open delivery-focused Pizza Hut stores across India (excluding Tamil Nadu)



1. Stores refers to the number of stores as on March 31, 2021.

Innovation and Value



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 Comment for Rolls

Cheesy Comfort Veg
 Indi Rockin Roll Veg

#SidesOfTheHut

INTRODUCING THE ALL-NEW

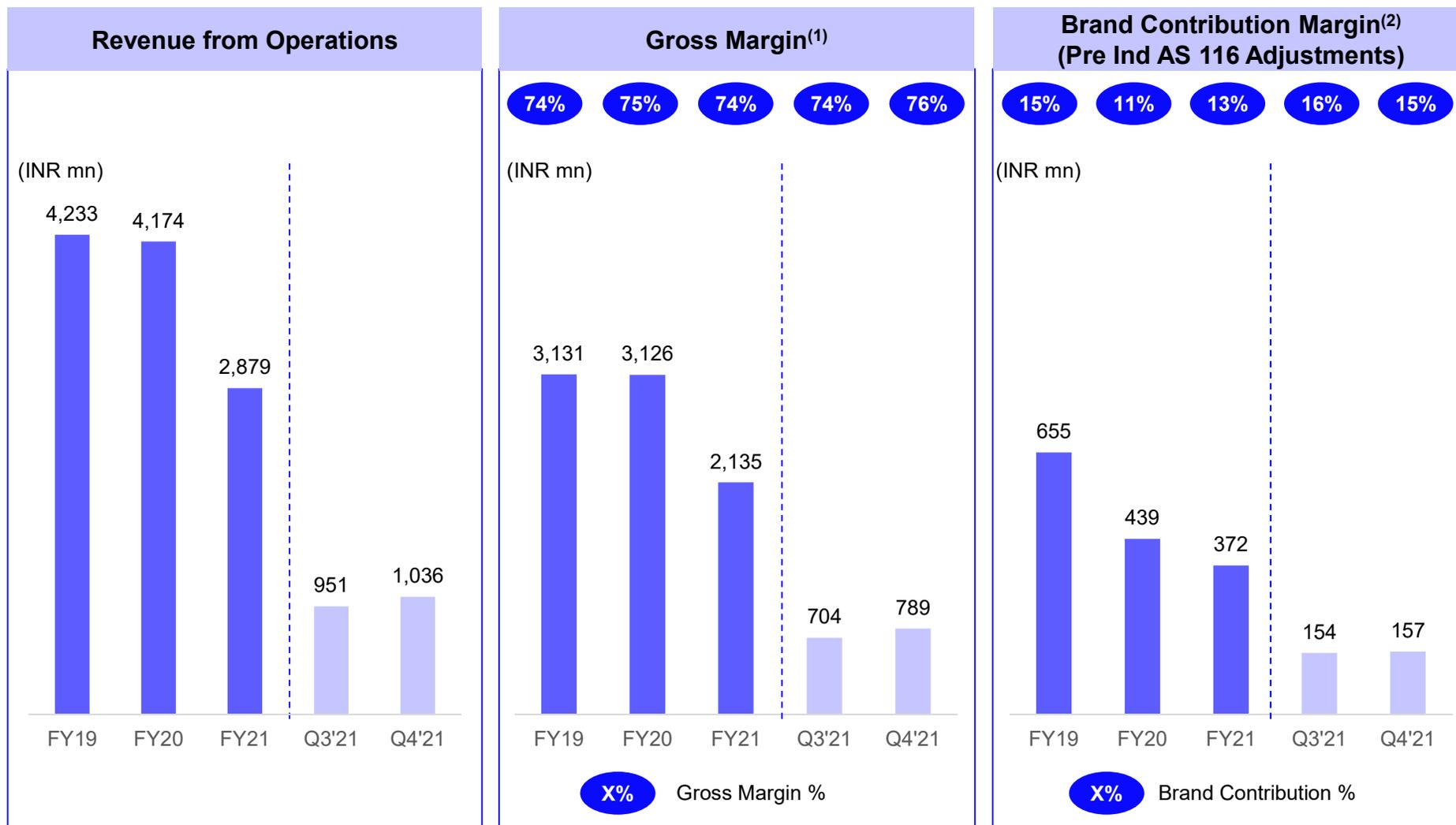
SPICED TOMATO Twist

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₹149
 NON-VEG AT ₹169*

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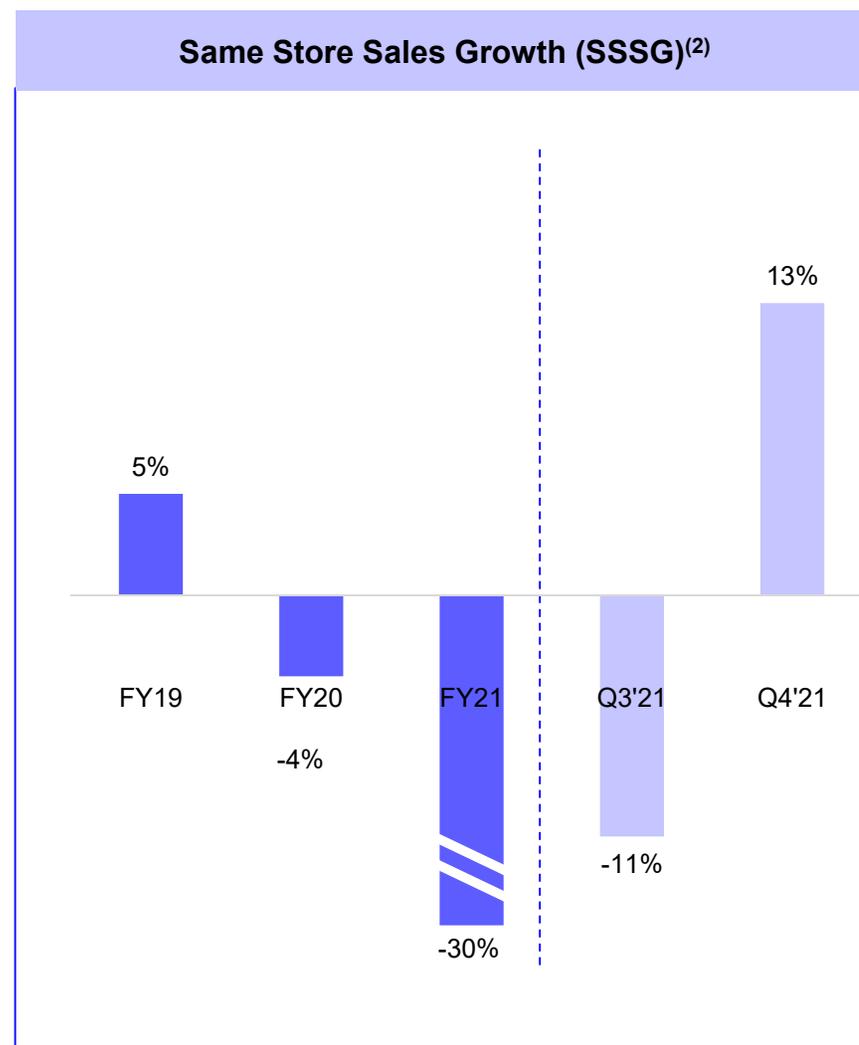
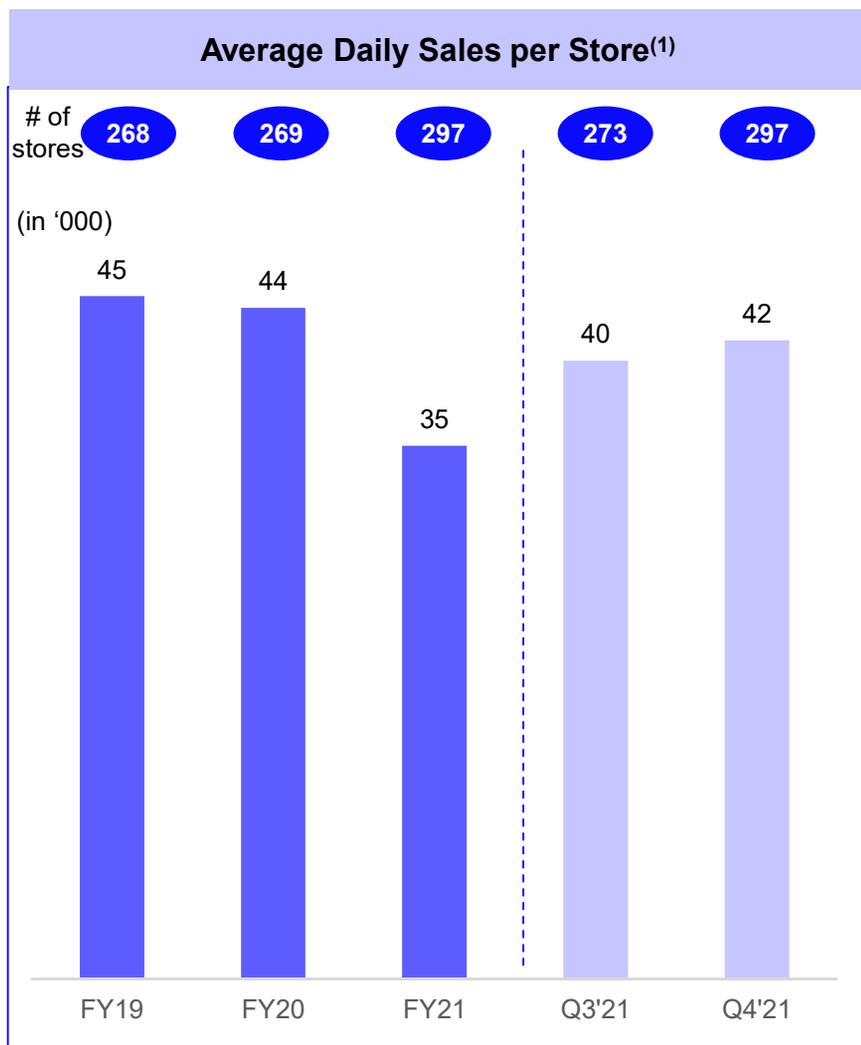
Pizza Hut India – Financial Snapshot



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Pizza Hut India – Operational Snapshot



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Core Brands – Costa Coffee





Costa Coffee India Presence

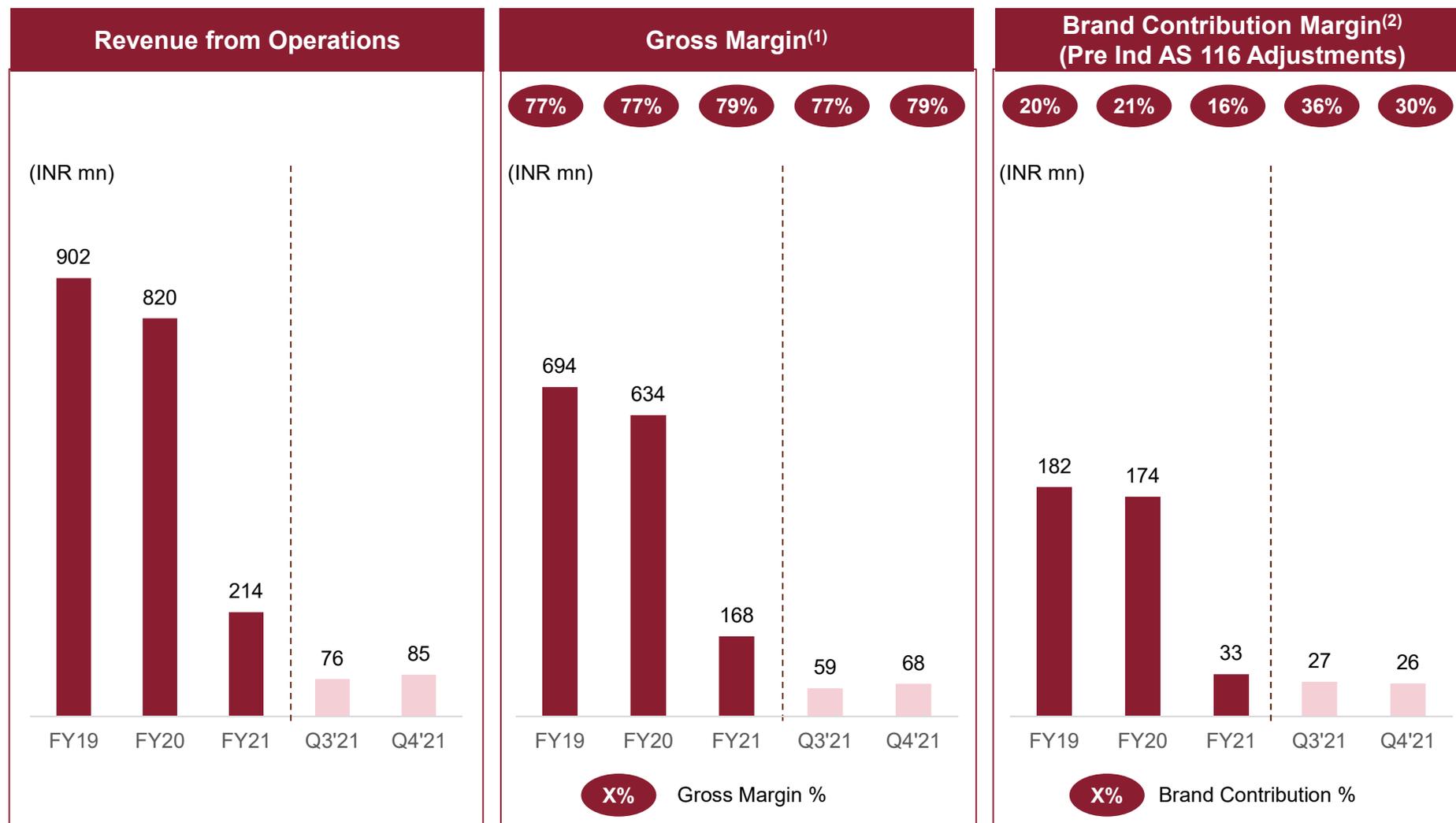
44 stores across 17 cities in 8 states and 1 UT⁽¹⁾



1. Stores refers to the number of stores as on March 31, 2021.

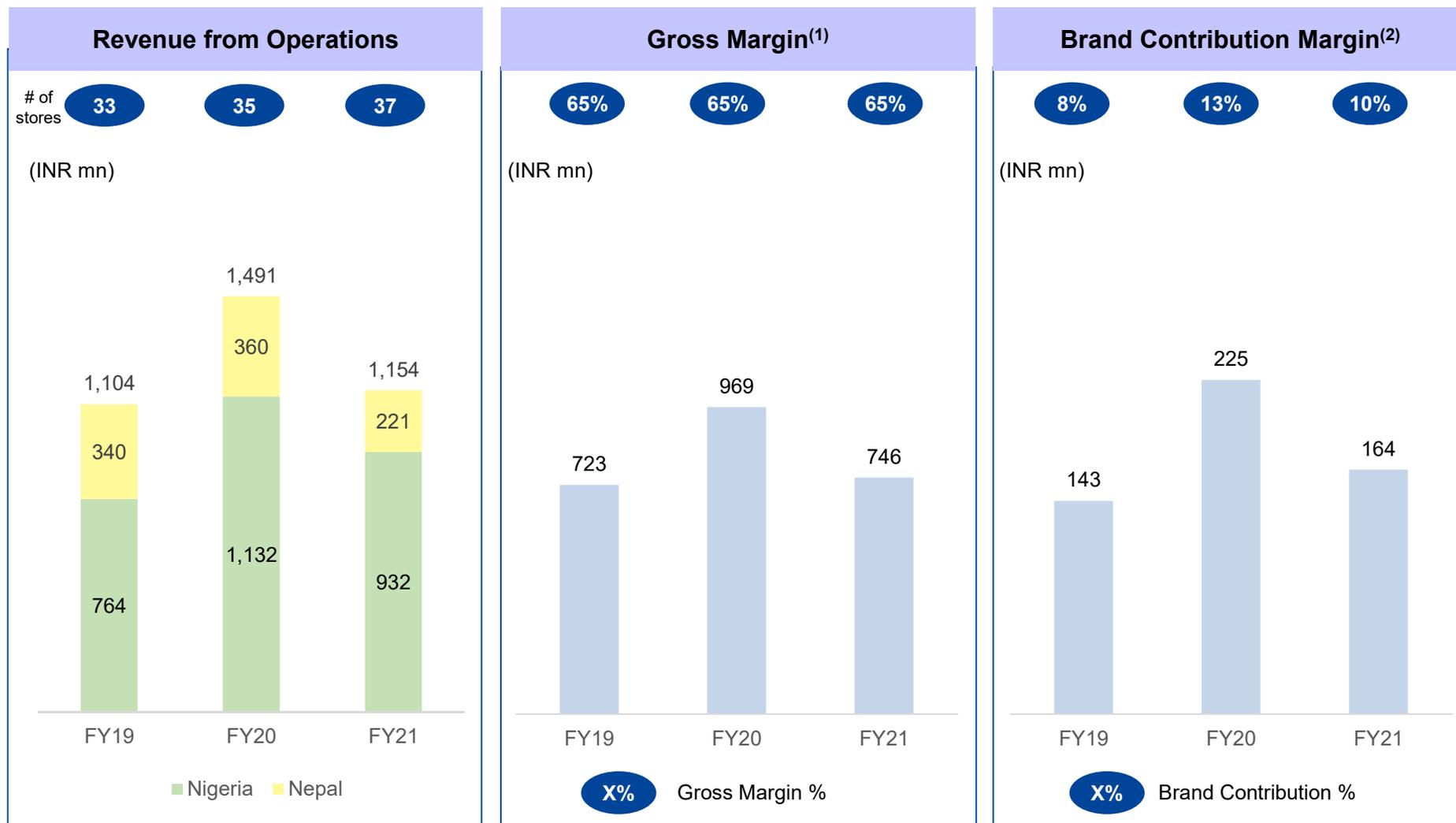


Costa Coffee India – Financial Snapshot

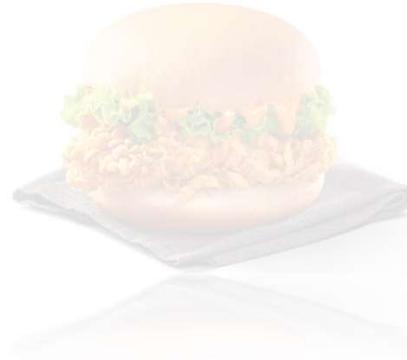


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International Business



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ESG & CSR initiatives



ESG & CSR initiatives



EACH FOR EQUAL

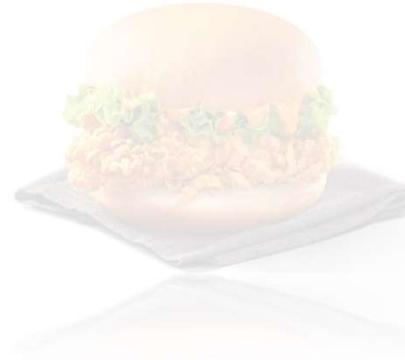
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KFC THE WORLD
Differently equally
ABLED



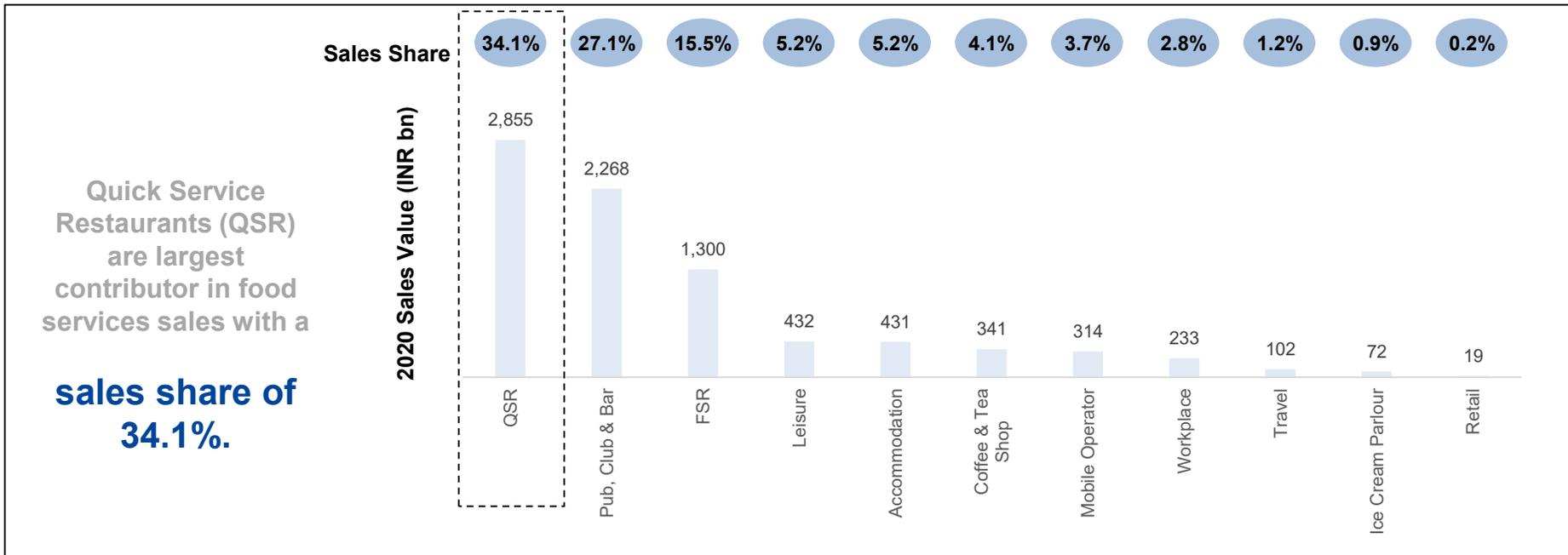
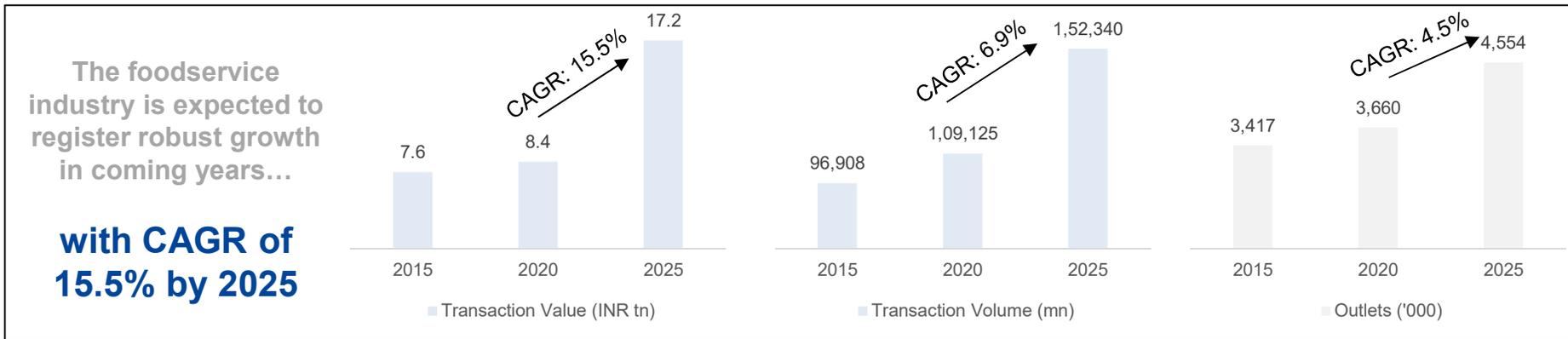
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Appendix - QSR Industry



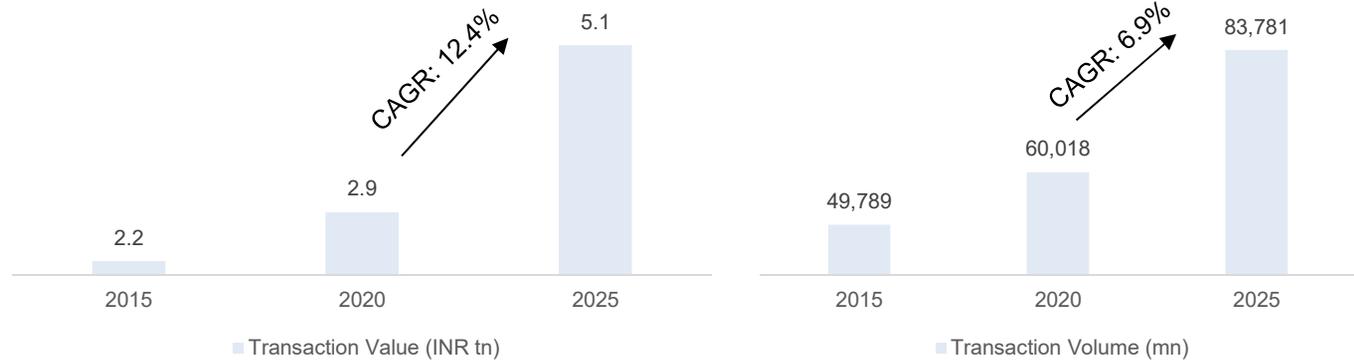
Food Services Industry is Expected to Grow Rapidly in Coming years



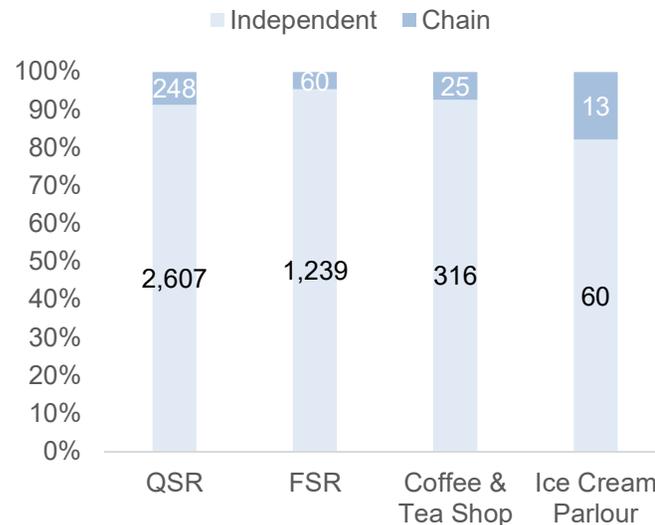
Chain Quick Service Restaurants are expected to grow faster than Independent and Unorganized Restaurants

The QSR industry is expected to register robust growth in coming years...

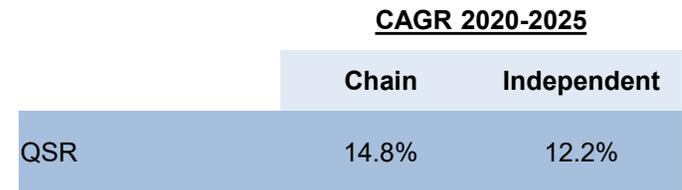
with CAGR of 12.4% by 2025



Restaurant Owner Types 2020 Value (INR bn)

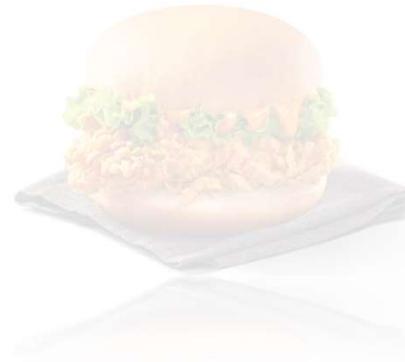


QSR Value Growth



Chain Quick Service Restaurants (QSR) are bound to **grow at 14.8% CAGR**

fastest than independent and unorganized restaurants



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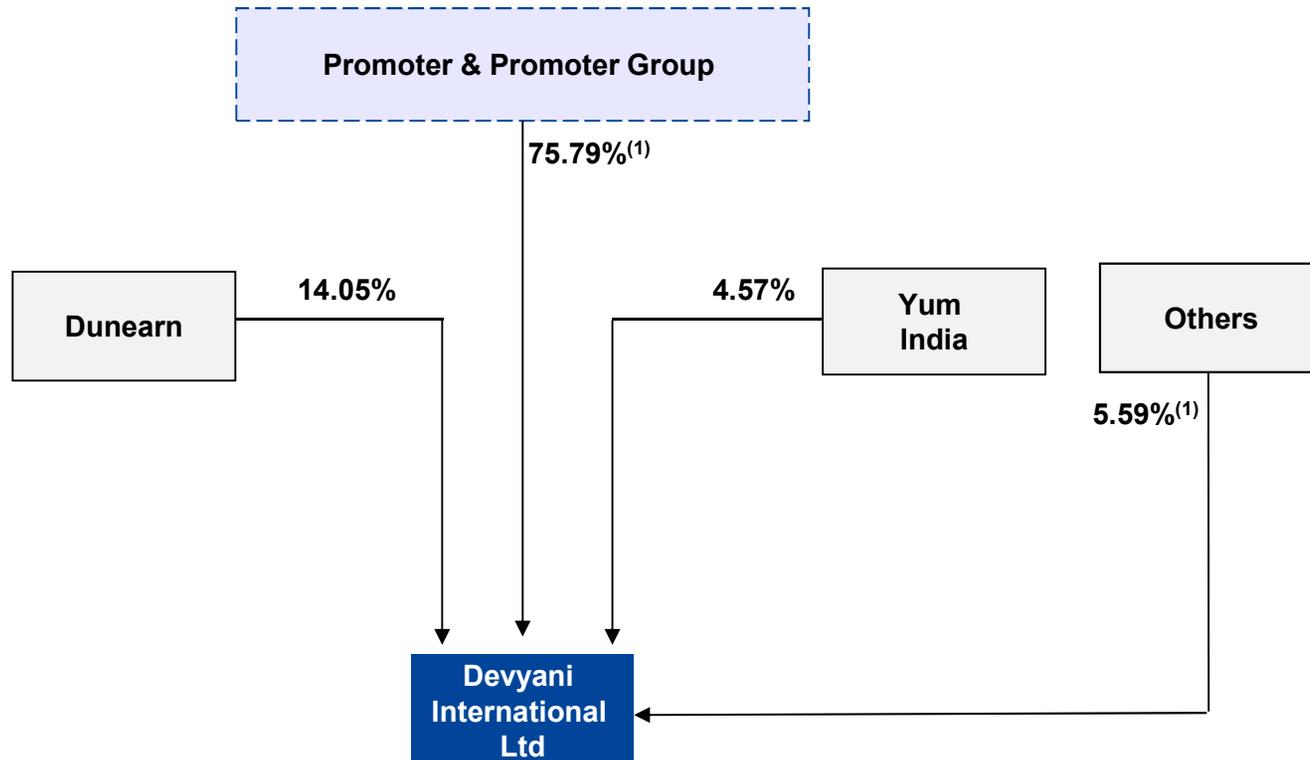


Appendix - Summary Financials



Structure

Capital Structure⁽²⁾



Thank You!
