JFL/NSE-BSE/2023-24/130 March 15, 2024

BSE Ltd.
P.J. Towers, Dalal Street
Mumbai – 400001

Scrip Code: 533155

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra(E), Mumbai – 400051

Symbol: JUBLFOOD

Sub: - Transcript of Webcast and Conference Call

Dear Sir/ Madam,

In furtherance to our letter no. JFL/NSE-BSE/2023-24/129 dated March 12, 2024, please find enclosed herewith the Transcript of webcast and Conference Call on Post-Acquisition Update on businesses in Turkey and Bangladesh held on March 12, 2024.

The above transcript will be available on the website of the Company at https://www.jubilantfoodworks.com/investors-shareholder-information-stock-exchange-filings

This is for your information and records.

Thanking you,
For **Jubilant FoodWorks Limited**

MONA AGGARWAL
Digitally signed by MONA AGGARWAL
Date: 2024.03.15 12:47:32 +05'30'

Mona Aggarwal
Company Secretary and Compliance Officer
Investor E-mail id: investor@jublfood.com

Encl: A/a

Transcript for Webcast and Conference Call on Post-Acquisition Update on businesses in Turkey and Bangladesh

Date: March 12, 2024

Moderator: Ladies and gentlemen, good day, and welcome to the Jubilant FoodWorks Conference Call. 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 the conference call, please signal an operator by pressing star then zero on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Lakshya Sharma. Thank you, and over to you.

Lakshya Sharma: Good Thankyou Yashashri. Good afternoon, everyone. A warm welcome to Jubilant FoodWorks' webcast and conference call for Post-acquisition update on our businesses in Turkey and Bangladesh.

Today, we are joined by our MD&CEO, Mr. Sameer Khetarpal, our EVP&CFO, Ms. Suman Hegde, our Senior Vice President – Finance and CIRO, Mr. Deepak Jajodia.

Please note that some of the information you'll hear during our discussion today will consist of forward-looking statements which reflect Management's current views and estimates. These forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward-looking statements. Potential risks and uncertainties include such factors as general economic conditions, business dynamics and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements.

We will now begin with our webcast and will then open up the lines for your questions. Over to you Sameer sir.

Webcast Transcript

Title Slide: Post-Acquisition Update on Turkey and Bangladesh

Thankyou Lakshya. Good afternoon and warm welcome to all our participants in the call today.

Slide: Agenda

Let me start by giving you a snapshot of our agenda for the day.

We have increased our stake in DP Eurasia and Jubilant FoodWorks Bangladesh and the call is meant to give you an update on these acquisitions along with its strategic rationale.

I will then talk about macro economy, foodservice market and our businesses in Turkey and Bangladesh.

We will then discuss pro-forma key financial metrics followed by a snapshot of the JFL network.

We will then be happy to take your questions.

Slide: Acquisition Summary

This is a brief summary for both the acquisitions.

DP Eurasia is the 6th largest Domino's franchisee having exclusive rights to operate and open Domino's stores in Turkey, Azerbaijan and Georgia.

DP Eurasia opened its first store in Turkey in 1996 and began to open its franchise stores in 2000. The group took over the master franchise agreements in Azerbaijan and Georgia in 2013.

It also has its own-brand COFFY in Turkey.

The System Sales for DP Eurasia's continuing operations including all brands and geographies for CY 2023 was Rs. 2,897 cr.

The overall cost of acquisition for 94.28% shareholding in DPEU was Rs. 1,199 crore. To fund this acquisition, we have taken facility for Rs 947 crore at Rate of Interest of ~5.39%. The balance was funded through our cash reserves.

On May 10, 2022, we also completed the acquisition of remaining stake of 49% in Jubilant FoodWorks Bangladesh Limited for ~Rs. 34 crore, fully funded through our cash reserves. The revenue for 9MFY24 is ~Rs. 40 crore.

In addition to Domino's, we also have rights for Popeyes in Bangladesh.

Slide: Strategic Rationale

The underlying objective is to build a very attractive portfolio of brands in promising, high-growth and under-penetrated markets.

We have been quietly building a unique platform which has three systems that act as a virtuous flywheel. These are:

Multi-brand: The capabilities being built are all brand-agnostic
Multi-country: We now have the requisite ability to export this platform to replicate the India playbook into other emerging markets while being cognizant of the fact that these countries will also help us better our performance in India
Food-tech: The third system being tech and ops play which essentially helps us win in the phygital world

Both the acquisitions give effect and further strengthen the platformization at JFL.

Slide: Turkey

Turkey is one of the fastest growing economy in Europe and has made impressive economic gains over the past two decades. In the early 2000s, broad-based macroeconomic and structural reforms supported income catch-up towards advanced economies. This moved Turkey firmly into the upper middle-income bracket. It's a largely urban population with 75% of individuals living in urban centres and Turkey is also home to Europe's youngest population with median age of 33.6 years.

Slide: Foodservice and QSR Market

Turkey's Foodservice market is estimated to be ~$18 bn and QSR market at ~$7.6 bn comprises nearly 41% of the market. As per industry estimates, by CY 2026, the foodservice market is estimated to be ~$28.1 bn at 15.2% CAGR with QSRs comprising 46% of the market.

Domino's is the 2nd largest QSR brand and a dominant leader in pizza market with 51% market share in value terms.

Slide: Key Drivers for Turkey Foodservice Market Growth

What is even more comforting is the underlying growth potential of the foodservice market in Turkey driven by a triad of:

1. Strong Economy
2. Favourable Demographics
3. Increasing penetration and growth in online ordering

Slide: Domino's Turkey

Domino's Turkey encapsulates all traits that one will desire in a successful franchisee.

They have been successful in applying a globally successful Domino's business model by adapting it to the needs of the local market. Adjusted for inflation, the CAGR(2020-2023) for System Sales of Domino's Turkey has been 20.4%.

The founder-led experienced management team has a stellar track record of delivering resilient, profitable growth even in the wake of tough externalities.

Slide: Continuous Improvement in Proprietary Online Ordering Platforms

The continuous improvisation in their already strong data and digital capabilities help them improve share of online ordering.

Slide: Powerhouse of Menu Innovation

Domino's Turkey is a powerhouse of menu innovation. Their zeal for continuous menu innovation lends them a leading market position and we are excited with the possibility of cross-pollination of ideas between the chef teams of the two markets.

Slide: Domino's Turkey - Key Operating Metrics

Domino's now have 690 stores in Turkey and 88% of the stores are sub-franchised. The potential for Domino's Turkey is 1,250 stores giving a huge runway for growth.

The careful selection of who to sub-franchisee is the hallmark behind the success of franchisee system for them.

Online order contribution has increased to 84% but has more room to grow.

The dominant channel for them is Delivery with 73% channel contribution.

Slide: Domino's Turkey – System Sales, Growth and LFL

After adjusting for inflation, in CY 2023, system sales growth was 31% and LFL growth was 27.1%. This was despite a devastating earthquake which hit the country in early February.

Slide: DP Eurasia Debt Profile

The debt for DPEU was largely on account of DP Russia. On August 21, 2023, DPEU announced that it has initiated the steps to file for DP Russia's bankruptcy.

The net debt as of 31st December, 2023 was 466 TRY mn and the external debt for DP Russia has been paid in August 2023.

Since Turkey operations generate high cash flow and are profitable, the debt at DPEU level will reduce significantly hereon.

Slide: COFFY

Unlike India, coffee consumption has very high frequency in Turkey.

At least 53% of Turkish coffee consumers are consuming more than 2 coffee per day.

The Coffee market in Turkey is estimated to be ~$1.1 bn and as per industry estimates, the market will double in 5 years to ~$2 bn end 2028.

Considering the high frequency, DPEU team came up with the idea of building an own-brand that will provide COFFY without the excessive price tag. They came up with a unique model of having single price points for each size rather than having different price points for each beverage at every size.

Slide: COFFY

With a trial store opened in October 2019 in Istanbul to now being the 10th largest CAFÉ brand in Turkey with 89 stores, COFFY has demonstrated strong performance and presents an additional growth vector for us. 74% of the network is sub-franchised.

With average store margins of 12-13% with payback of 2.5 years, the unit economics are very superior for COFFY. It is on track to be the 5th largest CAFÉ brand in turkey by end of CY 2024.

Slide: Leadership Team

DP Eurasia has been successful in fostering an environment of entrepreneurial leadership.

Aslan, having been appointed as the founding chief executive officer of the exclusive master franchisee of the Domino's System in Turkey since its inception in 1996 has ably led DP Eurasia in the last 28 years.

The leadership team is well tenured and has an exceptional track record of delivering market leading performance.

Slide: Bangladesh

Bangladesh has a strong track record of growth and development. Over the last decade, the economic growth has averaged more than 6%, significantly lifting per-capita income despite having one of the highest population density in the world.

Slide: Bangladesh Foodservice Market

The Foodservice market in Bangladesh is estimated at ~$0.9 bn.

Domino's entered the market only in 2019, but is the fastest growing brand in the country.

Slide: Jubilant FoodWorks Bangladesh Limited

After having achieved the requisite unit economics, with EBITDA margin in mid-single digit, payback of stores at ~3.3 years, we have accelerated the pace of network expansion.

We now have 26 stores but we see the medium term potential as 200.

The ADS of mature store is now nearing the levels achieved by Domino's India.

Online contribution to Delivery Sales is inching up and is similar to levels of Turkey. In India, this metric has reached ~99%, paving the way for future growth.

Interestingly, the channel mix in Bangladesh is heavily skewed in favour of Dine-in with 61% channel contribution in the last quarter.

Slide: Leadership Team

We have an excellent leadership team earmarked for Bangladesh and have recently spruced it up with Avinash now also overseeing the International Business.

Slide: DPEU Pro-forma financials

We have shared key metrics for DPEU for CY 2023. Since this is a franchisee-led business, it would be noteworthy to talk about System Sales, Revenue and PAT.

Slide: DPEU Pro-forma financials

The pro forma financials are created assuming the control was established on 1st Jan, 2023.

As you can see, the acquisition is EPS accretive for us and our efforts will be to ensure that we continue to deliver sustained profitable growth across all vectors.

Slide: JFL Store Network

I would like to conclude with the snapshot of JFL network.

To reiterate our guidance on store network; in the medium term, we intend to operate 3,000 Domino's store in India, 1,250 Domino's store in Turkey and 200 Domino's store in Bangladesh. Amongst other brands, Popeyes will reach 250 stores in the medium term and will be the fastest to reach 1,000 crore in revenue and COFFY will be a 150 store network by end 2024.

This is one of the strongest emerging market network and brand portfolio with leadership position across all Domino's markets and a strong challenger brand in form of Popeyes and COFFY. Our continuing focus will be to draw superior strength from platformization at JFL and deliver superior top line and bottom line growth profile.

With this, I will request the moderator to open the floor for Q&A.

Q&A Transcript

Moderator: Thank you very much. We will now begin the question-and-answer session. We have a first question from the line of Amit Rustagi from UBS Securities. Please go ahead.

Amit Rustagi: Thank you, sir, for giving us really great insight into these two businesses. You have mentioned about the growth in the stores for both the formats, COFFY and Domino's. Could you give us some aspirational numbers what we start to look at from these businesses? And second thing you mentioned was the franchise model. So do you think that we will learn a lot on the franchise model and if there is a possibility of implementing some of these brands in India?

Sameer Khetarpal: On franchisee model, it is a very interesting one. Amit, I'll be honest here, it has opened our eyes, right? And how much of that is applicable to India, we need to study carefully. The way the team has operated this model with a science and art combined into it, it is actually very commendable. It is actually a secret sauce and secret sauces are typically hard to replicate as easily, very difficult to lift and shift. I'm also aware of the reality in India. In QSR, there are no successful franchising model, as you would have noticed. Anybody and everybody who operated on sub-franchising have ultimately gone to company-owned, company-operated model.

Having said that, this was the past. India is also changing materially. There is capital available. Other consumer-facing brand, like in jewellery or even in fashion and apparel, are beginning to teach us that this is an opportunity for a leading player like Jubilant, we need to look at this seriously. So we are evaluating. We are learning. And if there is some experiments that we need to do, we will not shy away from doing those experiments.

On your first question, the track record of the team is actually to be ahead of the inflation as shared in the presentation. The system sales CAGR for 2020-2023, adjusted for inflation has been 20%+. I think that's what the number that I really care about the most. We are also, like in the process of formalizing our budgets, etcetera, as we're learning more about getting deeper into it. As we speak, the team is actually here in India. So allow us some more time to give a view.

Moderator: Thank you. The next question is from the line of Arnab Mitra from Goldman Sachs. Please go ahead.

Arnab Mitra: Hi, Sameer. My question was that the currency has been -- Turkish currency has been depreciating continuously for many years, and the current rate versus the INR also seems to be much lower than the pro forma base, that analysis that you gave. So just wanted to understand how do you think this affects the INR business? How much is mitigated by pricing? If you could give us some sense on how to think about this currency depreciation and the impact on the profits?

Sameer Khetarpal: Arnab, firstly, it's a great question. And I think that is something that we do have modelled this. You're right. Currency depreciation has been high. But let me share further color with you. When we picked up the stake, we started with 9.8. From our lens, we are more driven by the conviction behind the strength of the brand and the opportunities that the local market presents.

The track record of the team is to actually beat the inflation, right, consistently and that is what they have proven. They have a very deep price increase science that they've built in. They know which markets to take how much price increase, at what time? So there's a very deep science into it. When it is viewed from the growth perspective, we care less about the currency reporting as there is no fund infusion required from our business, from our side. But more to do with how large this business can become in the local currency.

And I think as long as they beat the inflation grow faster than the inflation, the volumetric growth is there, underlying volume metric growth is there. They open the stores, I think it will be accretive to us. Fundamentally, I look at it more from a business lens versus an economic lens. Also, the recent policy changes have indicated more controlled inflation environment. But, that's very hard to control and predict. The underlying business is rock solid and grows ahead of the inflation and it will be EPS accretive for us.

Arnab Mitra: Understood. And one last question on the franchisee model because we have not tracked any company in this model as such. So what is the key driver for margins in this business? Is there -- like India, we know QSR has very high operating leverage there is, therefore, a big margin volatility based on growth. In a franchisee model, is it a lot lesser, and any key drivers for, let's say, profitability improvement or risks that could be there to profitability in such a model? That was my last question.

Sameer Khetarpal: Yes. It's a very interesting model. Firstly, just on operating expense, the rentals are lower versus India. That is one piece. Therefore, it will leave room to expand margins. Now the revenue sources for DP Eurasia are actually four. One is the sale of food to the franchisees. So they have commissaries and therefore, get centralization benefits. Second is the royalty fees. The third is technology and fourth is advertisement fee. These are the four sources of revenue for them. We will get some buying efficiencies together with Jubilant.

We also have a very good relationship with Domino's. And second is, as you would know, for a company of this size and this market cap, it doesn't make sense to be listed and therefore, we have corrected that. The elimination of overheads of being listed will also aid margin expansion.

Arnab Mitra: Okay. Understood. That's it from my side.

Sameer Khetarpal: Thank you.

Moderator: Thank you. We have a next question from the line of Shirish Pardeshi from Centrum Broking. Please go ahead.

Shirish Pardeshi: Hi, Sameer. Good afternoon. Thanks for the opportunity and Suman welcome to our world. Just a question at the beginning. You mentioned that it is underpenetrated market. What it means? In the medium term, our store expansion will be faster and we will try and capture the opportunity?

Sameer Khetarpal: So here is how I look at it. Domino's is going to 1,200-plus stores in turkey. That is a real opportunity. The frequency of pizza is very close to India, which is three in a year, and we all know in U.S. it is far, far more than that.

So from a frequency of pizza eating, the growth of COFFY as a brand which is present in only 16 cities versus Domino's presence in 80 cities out of 81 cities in Turkey presents a multi-decadal opportunity. So when I look at both the brands, the opportunity for growth is material, Shirish.

Shirish Pardeshi: Okay. And the related question on the franchise operation. So if this franchise is primarily having a local expertise, and that's why they are into the business? Or these are the newer generation, which is trying to capture the younger population and what we see here, the brands which are rolling out faster because of the platform?

Sameer Khetarpal: I would say, they have a unique recipe of recruiting franchisees over there. So many of the franchisee owners have in the past been area managers, restaurant managers, right, who understand the operations, but are entrepreneurs at heart. So as you would see, the percentage of franchisee stores has been increasing steadily, which means that they've been also selling their corporate stores to franchisees. That is a model that they have actually perfected.

So these are not large, well-capitalized businesses getting into a new business form or a new business area or a vertical. These are individuals or families whose sole mission in life is to grow the Domino's business. So it's very carefully selected. The average franchisee would hold two to three stores. But they start with one and they're obviously incentivized to open few incremental stores, but that's pretty much it. So, I would say, its like a cottage industry but operated at scale, and that is the beauty. And that's why I am saying it's hard to replicate some of these pieces or for even somebody to copy these.

Shirish Pardeshi: I do understand. Where I got a little mixed is that you said that there is a large food service opportunity and even aggregator is very strong enough. So I'm just trying to relate the India experience that we have here cloud kitchen that may disrupt. So going forward, should not be a problem for us. That's what you're trying to say

Sameer Khetarpal: Shirish, I have not seen successful cloud kitchen models anywhere in the world now. I have tracked data. I've also been in this industry for nearly 10 years. I'm talking about e-commerce plus QSR. Very hard economics to make it work. Customers want to see the brand. Of course, you can have 15%, 20% of the stores as dark kitchens back of the alley.

But ultimately, for a consumer brand, my learning is customers want to see the brand, and therefore even when consumers are ordering online, they're definitely using aggregators, but the evidence of dark store capturing share from established brands is yet to happen, at least, at least I don't see any risk from that perspective. In fact, they have a very strong playbook. Good thing is they have three aggregators. So from that perspective, there is more competition, therefore, the take rates, etcetera are more benign over there. And like I said, the rentals are cheaper. In India, the rentals, as you know, are higher. So therefore, dark store may make an economic sense from a rental savings standpoint. Over there, that differential is also not there. And COFFY, of course, is all about the location and sitting down and having coffee.

Shirish Pardeshi: Okay. And last question on COFFY. If you can help us, I mean, of course, that also looks like very strong opportunity. But what kind of margin profile which this business has because you have again set out a very strong aspiration?

Sameer Khetarpal: We have shared unit economics for COFFY. ADS is ~TRY 19,000. Average store margin has already reached 12% to 13%. Payback period is ~2.5 years, again, very similar.

The team in Turkey, started with COFFY stores as about 1,000 square feet in size, right? And now the stores that they're opening are all more than 2,000 square feet, very high throughput, extremely high throughput per store in terms of volume. It is, like I said, very young population, coffee culture is growing massive, very high frequency.

And like I said, there are no pubs available over there. So, you'll see coffee or cafe are completely full. If there is a value offering or a very simplified price point like what COFFY has done, it has actually been a rage.

Shirish Pardeshi: And just last follow-up on COFFY. Is it in the mass end of the market or this is premium?

Sameer Khetarpal: It is actually targeting students and younger population. So of course, they are tighter on wallet versus somebody who's in late 30s or mid-40s going to Starbucks. So the offering is value. But I don't want you to at least compare this to Cafe Coffee Day. For example, the mascot of COFFY is a hipster rabbit. So it indicates a little bit of coolness, the colors are black and you will see, they have the widest menu in terms of hot and cold beverages. So it's very contemporary but focused on value. You would think of Caffe Nero or Costa or Starbucks, they're all in the same genre, could be moderately contemporary but highly price point. So a very unique differentiation. Again, the team has done a terrific marketing and working on consumer insights to find such a niche.

Shirish Pardeshi: Okay. Thank you and all the best.

Sameer Khetarpal: Thank you, Shirish.

Moderator: Thank you. The next question is from the line of Tejash Shah from Avendus Spark. Please go ahead.

Tejash Shah: Hi, Sameer. Good afternoon. Thanks for the opportunity. First question, upfront apology if the question is too naive. But given Turkey's currency volatility, which often reflects socioeconomic stability concerns from outside, I was just curious to know how the track record of the country regarding honouring the contractual obligation of foreign investments? Has there been any track record or past history?

Sameer Khetarpal: Hi, Tejash. So I think some of the naive questions are the most deep rooted ones. So I appreciate that. I think it's a great question. But Turkey has a terrific record of two, three factors. One, a very open economy in terms of currency conversion, moving money. It's a very open economy per se. And being very close to Europe, they, in fact, have no such issues of not honouring the contracts enforced by law. It actually mirrors more advanced countries or more developed countries in that regard.

So we have not seen any such challenge over there. Like I said, I visited multiple times in the last four or five months. When I look at the stores, when I look at the expansion that the city is witnessing, it only indicates that it's a fast-growing economy. So no such concerns that we've seen or even heard of.

Tejash Shah: Great. Second question, you just mentioned that you have travelled four to five times in last four, five months. I'm assuming that this is also because it's an initial stage of integration. But going forward, what kind of managerial bandwidth it will consume from your side and from India team? And just associated question, you also mentioned operational and sourcing synergies also coming through. So if you can elaborate on that as well?

Sameer Khetarpal: Yes. I think firstly, as you see, the team is very independent over there. And we've had a very ringside view of the team through Board representation in the business. And Aslan has been there for many years.

So from that perspective, we don't intend to make any changes to management. In fact, we love the management team over there, and they have a very strong agenda to expand Domino's to 1,200-plus stores in the medium-term and expanding COFFY. So they're very, very focused on these two aspects. They are going on track to retire the debt, which is there on their books. So therefore, it will be a debt-free company in the near term.

In terms of synergies, like I said, this is about the emerging market playbook. And the sourcing synergies are there on multiple fronts, we still import a few ingredients from US that we believe we can source from Turkey. Even I'm sharing initial rough sketches. We are also evaluating can we take COFFY to more countries. We're also evaluating what can we provide them? Can we export few material from India? We have large commissaries. I think all of this is, as we speak, including technology synergies is under works. We have nearly 150 member technology team. And from that perspective, we can utilize India as a low-cost country having a very large and high-quality talent in technology. So multiple, multiple cases at work. There are more projects and Suman along with DPEU CFO – Neval, will bring in this together.

Moderator: Thank you. The next question is from the line of Percy Panthaki from IIFL. Please go ahead.

Percy Panthaki: Congrats on the acquisition. Just looking for a few financials, you mentioned -- correct me if I'm wrong, that store operating margin for Turkey Domino's is 12% to 13%. Would that be the -- am I right in understanding that?

Lakshya Sharma: Percy that's COFFY margins what we have shared in the presentation to depict store unit economics. Since both Domino's and COFFY are largely franchised businesses we will evaluate this business directly at PAT level. PAT what we have shared in pro forma is around 9.5%.

Percy Panthaki: And would you be able to give me the sort of pre-IFRS EBITDA margin for Domino's Turkey?

Lakshya Sharma: See the EBITDA margin varies for Pre-IAS-29 and Post-IAS-29 on account of very high inflation, which compresses the EBITDA margins but is offset by monetary gain above the PAT line. So for now, we will request you to look directly at the PAT level from continuing operations.

Percy Panthaki: And does this PAT margin change with the Russia bankruptcy? And if so, by how much could you give us the adjusted PAT margin assuming that the debt comes down?

Lakshya Sharma: So Percy, on debt, as shared, it will definitely come down because this is highly profitable, free cash flow generating business, and we don't require any further debt for opening Corporate stores in Russia which was the case earlier. DPEU has also paid all the external debt on Russia and therefore, the net debt will continue to decline. The leverage ratio is currently 0.7, it will come down significantly by end of next year. The second part is the bankruptcy proceeding has already been initiated in Russia starting August 2023. And we'll give you the update on any potential loss which might arise out of Russia as and when the bankruptcy proceedings are closed.

Percy Panthaki: Okay. And one more question from my side. If I look at the Turkey business, both the brands, in INR terms and basically take the starting point from the very first time you took an initial stake in DP Eurasia versus let's say, current last 12 months trailing business or something like that. In INR terms, what is the total system level sales growth and the same-store sales growth?

Lakshya Sharma: On currency depreciation, from the monthly average of TRY:INR in CY 2023 - INR3.64 – the currency at the current spot level has already depreciated by 27%, but there exists high growth in the local currency business. And therefore, even accounting for the depreciation impact on currency, we do see that the PAT would continue to be high. And this will be in an accretive deal, even if you were to say that the currency depreciate to even a lower level from where it is trading currently.

Percy Panthaki: Okay. That's all from me. I'll take some more questions off-line with you, Lakshya. Thanks.

Moderator: Thank you. The next question is from the line of Kunal Vora from BNP Paribas. Please go ahead.

Kunal Vora: Yes. Thanks for the opportunity. Can you talk about the dividend policy of DP Eurasia? Are there any reductions regarding repatriation of cash? What is the taxation policy on repatriation of dividends? And if you can give us some sense on like whether you expect some cash inflows into India in CY '24 or '25 in dollar terms?

Deepak Jajodia: So as far as the dividend repatriation is concerned, we are studying that, and we will come back to you. But, the business is highly free cash flow generating. And there is very limited debt, which is currently sitting on the balance sheet. And obviously, more or less the business is largely around the sub-franchisee model, so we see, a repatriation of dividend out of DP Eurasia to India in the times to come.

Kunal Vora: When did you expect that to happen? Like what would be the time line to make the investment now and let's say, incremental you not be investing. So if I purely look from a cash perspective, how do I look at the transaction? Any sense on the quantum and timeline, please?

Lakshya Sharma: Kunal, we will share relevant update with you at an appropriate time.

Kunal Vora: Understood. Sure.

Kunal Vora: Sure. Thanks for that. And secondly, sir, you mentioned that aggregators have started in Turkey. Can you talk more about it? How is the impact of aggregators? And are they expanding rapidly? Also how does the delivery happen for Domino's? What proportion of deliveries done by Domino's versus deliveries through aggregators?

Sameer Khetarpal: So firstly, there are three aggregators, Getir, Yemeksepeti and Trendyol. So no one has a hegemony in that sense. So it is also not a duopoly like what it is there in India. So from that perspective, they're kind of competing, which is good for a brand from an economic standpoint. Domino's was the first to get on boarded on all three of them.

Like in India or like anywhere in the world, Domino's does its own delivery, and economics are very favorable. And given the pricing is even more opaque in Turkey because of the inflation there, like every brand is doing price adjustments almost on daily basis. So it becomes even more like a difficult versus India to have a full transparent price discovery. But, the share of retail asset is growing for us and between our own app and aggregators, I think it is fairly healthy, right balance between the three.

Kunal Vora: If you can provide approximate mix of your own app and own assets versus.

Sameer Khetarpal: We typically don't do that. But I would say that there is a very healthy mix of aggregator and own apps and between aggregators, there is no dominant player, and we have a very clear aggregator-wise strategy to gain share.

Kunal Vora: Understood. That's very clear. Thank you sir.

Sameer Khetarpal: Thank you.

Moderator: Thank you. The next question is from the line of Avi Mehta from Macquarie.

Avi Mehta: Hi, sir. Thanks for the opportunity. I just wanted to check for the synergies, you have indicated that the sourcing related synergies, the Domino's partnership from the Turkey acquisition. Would you have a quantum of the likely benefit, which could come in probably over the next year or so?

Sameer Khetarpal: Yes, these are all internal plans. But, the synergies are in four areas. One is can we take COFFY to more countries. It has really established a very strong customer value proposition. Second is on technology, technology costs, harmonizing technological platforms. Number three is supply chain synergies around joint sourcing of raw materials. Turkey is a very rich agriculture economy also, very fertile land, grows a lot of oregano, jalapenos, tomato, something which we import from, olives. So we are looking at each and every line item and also opening up our commissaries in India -- sourcing from India. And then last, of course, is there will be some offshoring opportunity in the G&A cost that we will look at.

Avi Mehta: Got it, sir. So the second bit is just a bookkeeping -- on the debt side, what is the currency for this debt that we have taken? And -- is there a hedging that has been done? Or if you could kind of just clarify that part, please?

Lakshya Sharma: So Avi, we have taken the debt in Netherland subsidiary and debt denomination is Euro.

Avi Mehta: Okay, sir. Okay, Lakshya. Thanks a lot. Thanks all from my side. Thank you.

Moderator: Thank you. We'll take a last question from the line of Latika Chopra from JP Morgan. Please go ahead.

Latika Chopra: Hi, thanks for the opportunity. I had a broad question on your capital allocation plans -- I just wanted to check on your capital allocation plans for your overseas ambitions going forward, do you think your hands are quite full at this point? Or you're quite open to explore more overseas geographies for Domino's?

Sameer Khetarpal: Latika, my immediate task is to make sure that we integrate our business and make sure the team integrates, and we have a very well-defined value-creation plan. So I'm more focused on that right now.

I think what you should appreciate is that our emerging market playbook via India, Turkey and Bangladesh is actually coming alive and is playing out. So my immediate focus is to just focus there. If there are like great opportunities, we always evaluate. But at the moment, just focusing on what is on my current plate.

Latika Chopra: Sure. Understood. Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. On behalf of Jubilant FoodWorks Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Lakshya Sharma: Thank you.

Note: This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.

The readers are requested to refer the presentation used in the webcast for ready reference.