

July 23, 2025

Q1FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	HOLD		HOLD	
Target Price	745		769	
Sales (Rs. m)	27,810	32,412	29,494	34,360
% Chng.	(5.7)	(5.7)		
EBITDA (Rs. m)	3,974	4,844	4,394	5,231
% Chng.	(9.6)	(7.4)		
EPS (Rs.)	1.6	3.7	3.7	5.7
% Chng.	(55.4)	(34.8)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	23,909	24,912	27,810	32,412
EBITDA (Rs. m)	3,698	3,200	3,974	4,844
Margin (%)	15.5	12.8	14.3	14.9
PAT (Rs. m)	697	123	257	577
EPS (Rs.)	4.5	0.8	1.6	3.7
Gr. (%)	(37.2)	(82.3)	108.2	124.7
DPS (Rs.)	3.4	0.3	0.7	1.7
Yield (%)	0.4	0.0	0.1	0.2
RoE (%)	12.1	2.1	4.2	9.2
RoCE (%)	23.4	13.3	17.7	23.8
EV/Sales (x)	5.1	4.9	4.4	3.7
EV/EBITDA (x)	32.8	37.9	30.7	25.0
PE (x)	172.7	976.9	469.1	208.8
P/BV (x)	20.5	20.0	19.7	18.7

Key Data

WEST.BO | WESTLIFE IN

52-W High / Low	Rs.960 / Rs.641
Sensex / Nifty	82,727 / 25,220
Market Cap	Rs.120bn / \$ 1,393m
Shares Outstanding	156m
3M Avg. Daily Value	Rs.143.35m

Shareholding Pattern (%)

Promoter's	56.25
Foreign	11.25
Domestic Institution	24.03
Public & Others	8.13
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	5.6	2.9	(7.7)
Relative	4.6	(4.8)	(10.2)

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Demand outlook remains cautiously optimistic

Quick Pointers:

- SSG will continue to see recovery led by visible green shoots and improving consumer sentiments
- WFL to add 45-50 stores in FY26 with a target of 580-630 stores by CY27

WFL outlook remains cautiously optimistic in the near to medium term given 1) Visible green shoots in south market and decline in inflation 2) Stabilizing operating metrics with TTM Average sales/store increasing by 8.3% QoQ while declining by 3.2% YoY Vs 4.9% YoY decline in 4Q25 3) Likely SSG rebound post 1HFY26 led by menu innovation and increasing footfalls.

Long term drivers are intact with focus on 1) Burger, chicken and Coffee combos and Mcsaver meals 2) guidance of 580-630 stores by CY27 (45/50 in FY26) 2) menu innovations in café & value burgers with limited edition launches and offers from time to time 3) increased traction in chicken offerings and 4) flexibility of format with relevance across Metros, Tier 1, Mid-tier towns and Highways. WFL trades at 25x FY27 Post INDAS EV/EBITDA. We assign DCF based target price of Rs745 (Rs769 earlier). SSG and demand traction in 3Q26 will determine the profit growth and stock returns. Retain Hold.

Revenues went up 6.7%, SSG at 0.5% vs 0.7% in Q4FY25: Revenues grew by 6.7% YoY to Rs6.6bn (PLe: Rs6.67bn). Gross margins expanded by 83bps YoY to 71.6% (PLe: 70.5%) driven by significant enhancements in supply chain efficiencies. EBITDA grew by 8.5% YoY to Rs853mn (PLe:Rs900mn); Margins expanded by 22bps YoY to 13% (PLe:13.5%). Adjusted PAT declined by -62.3% YoY to Rs12mn (PLe:Rs42mn). SSSG came at 0.5% vs our estimate of 1%

Concall Takeaways: 1) WDL SSG Came at 0.5% driven by stable guest count and average check, 2) WFL anticipates a gradual improvement in dining-out trends as inflation moderates and government stimulus measures take effect 3) company is observing positive signals in the market with stabilizing consumption patterns 4) The McSaver Meals and McSaver+ Combos platform continues to drive affordability and guest count. Additionally, the limited-time Korean Range launched in March saw good consumer traction 5) On-Premise sales grew by 8% YoY, contributing 59% to total sales, while Off-Premise sales increased by 4% YoY 6) SSG will see gradual recovery with reaching into high-single digit in 3-5 quarters 7) Digital Sales contribution reached 75%, growing by over 500 bps YoY driven by mobile Apps and Self-Ordering Kiosks 8) As business volumes continue to grow, company remains steadfast in its goal of reaching 18-20% Operating EBITDA margin by 2027 with high single digit SSG. 9) West continues to perform well, while south dragging the SSG, however with team efforts, green shoots are being seen in south market. 10) Marginal price increase taken in 1Q. 11) Drive thru do exceptionally well after 5-6 years with better operating metrics but they cost 15-20L higher than normal stores.

Exhibit 1: 1QFY26 Results - Net Sales up by 6.7%, EBITDA Margins increased ~20bps to 13.0% YoY

Consolidated (Post Ind AS)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	FY26E	FY25	YoY gr. (%)
Net Sales	6,576	6,163	6.7	6,031	27,810	24,912	13.9
Gross Profit	4,709	4,362	8.0	4,221	19,801	17,894	12.4
% of NS	71.6	70.8	0.8	70.0	71.2	71.8	(0.9)
Other Expenses	3,856	3,576	7.8	3,451	15,827	14,696	9.9
% of NS	58.6	58.0	0.6	57.2	56.9	59.0	(2.1)
EBITDA	853.2	786.1	8.5	770.4	3,973.6	3,198.1	24.1
Margins %	13.0	12.8	0.2	12.8	14.3	12.8	1.1
Depreciation	550	494	11.4	528	2,367	2,041	16.0
Interest	354	298	18.8	328	1,466	1,271	15.3
Other Income	68	51	33.0	100	208	245	(14.2)
PBT	17	45	(63.2)	13	349	131	165.5
Tax	4.3	12.6	(65.7)	(1.9)	92.5	9.0	922.8
Tax rate %	26.1	27.9		(13.9)	26.5	6.9	
Adjusted PAT	12	33	-62	15	257	122	110

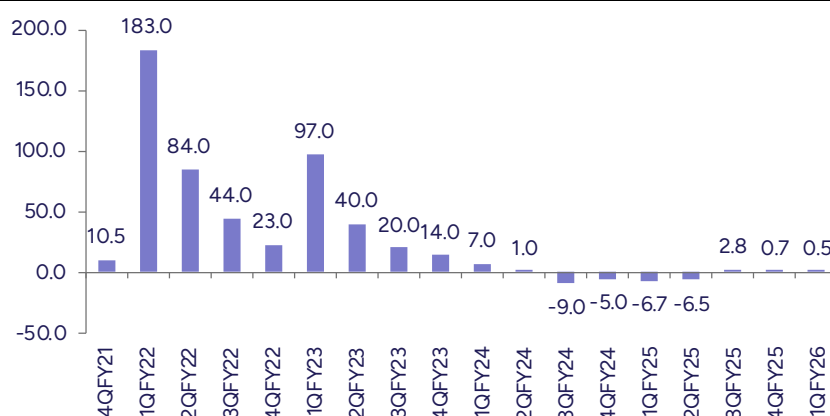
Source: Company Data, PL Researchss

Exhibit 2: 1QFY26 Avg sales/growth de-grew by 3.2% YoY with Pre Inds AS margin at 7.7%

Particulars	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26
No. of stores	380	397	403	408	421	438	444
Net Store Additions	10	17	6	5	13	17	6
System Avg. sales/store	16.0	14.5	15.4	15.2	15.8	13.8	14.9
Growth	-11%	-9%	-10%	-9%	-1%	-5%	-3%
Pre IndAS EBITDA	685	487	502	476	595	462	505
Growth	-10%	-44%	-25%	-40%	-19%	-33%	4%
Pre IndAS EBITDA margin%	11.4%	8.7%	8.1%	7.7%	9.1%	7.7%	7.7%
McCafe SIS	343	360	371	372	401	418	425
% Of total stores	90%	91%	92%	91%	95%	95%	96%

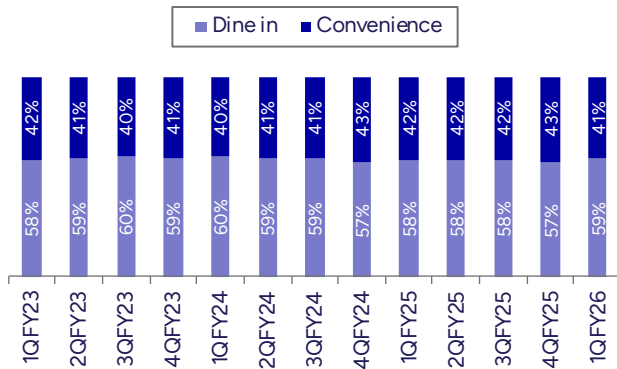
Source: Company, PL

Exhibit 3: SSG at 0.5%, showing gradual uptick



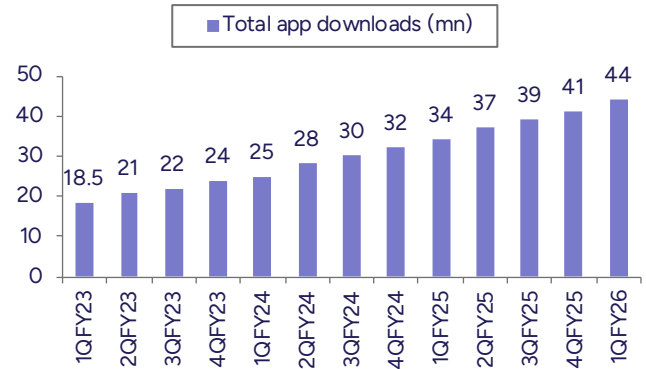
Source: Company, PL

Exhibit 4: Off-premise sales stabilizing at ~42-41%



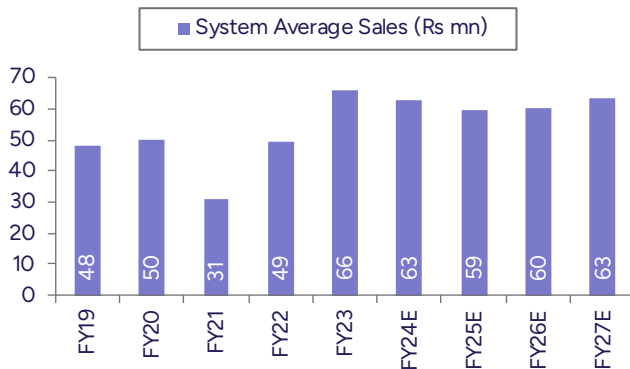
Source: Company, PL

Exhibit 5: App installations inch up to 44mn downloads in 1Q



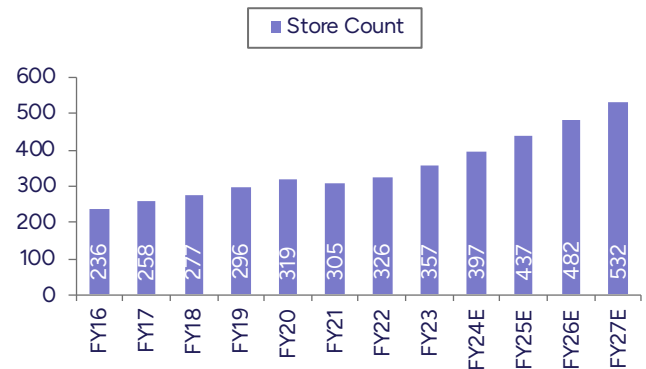
Source: Company, PL

Exhibit 6: System average sales CAGR 3.4% over FY25-27



Source: Company, PL

Exhibit 7: Expect 95 stores addition over FY25-27E



Source: Company, PL

Exhibit 8: Innovative menu offerings- The New Korean Range (1/2)



Source: Company, PL

Exhibit 9: New Mc saver Offers and Value deals (2/2)



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	23,909	24,912	27,810	32,412
YoY gr. (%)	5.0	4.2	11.6	16.5
Cost of Goods Sold	7,107	7,453	8,009	9,302
Gross Profit	16,802	17,459	19,801	23,110
Margin (%)	70.3	70.1	71.2	71.3
Employee Cost	3,285	3,598	4,220	4,788
Other Expenses	4,040	4,314	4,704	5,379
EBITDA	3,698	3,200	3,974	4,844
YoY gr. (%)	(1.0)	(13.5)	24.2	21.9
Margin (%)	15.5	12.8	14.3	14.9
Depreciation and Amortization	1,822	2,041	2,367	2,687
EBIT	1,876	1,159	1,607	2,156
Margin (%)	7.8	4.7	5.8	6.7
Net Interest	1,097	1,271	1,466	1,560
Other Income	185	245	208	189
Profit Before Tax	964	132	349	785
Margin (%)	4.0	0.5	1.3	2.4
Total Tax	266	9	93	208
Effective tax rate (%)	27.6	6.8	26.5	26.5
Profit after tax	697	123	257	577
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	697	123	257	577
YoY gr. (%)	(37.2)	(82.3)	108.2	124.7
Margin (%)	2.9	0.5	0.9	1.8
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	697	123	257	577
YoY gr. (%)	(37.2)	(82.3)	108.2	124.7
Margin (%)	2.9	0.5	0.9	1.8
Other Comprehensive Income	(7)	(6)	-	-
Total Comprehensive Income	690	117	257	577
Equity Shares O/s (m)	156	156	156	156
EPS (Rs)	4.5	0.8	1.6	3.7

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	26,044	30,459	34,474	39,049
Tangibles	24,694	29,046	32,986	37,486
Intangibles	1,350	1,413	1,488	1,563
Acc: Dep / Amortization	7,874	9,948	12,315	15,003
Tangibles	7,386	9,383	11,668	14,269
Intangibles	488	565	647	733
Net fixed assets	18,170	20,510	22,159	24,046
Tangibles	17,308	19,663	21,318	23,216
Intangibles	862	848	841	830
Capital Work In Progress	447	255	600	635
Goodwill	-	-	-	-
Non-Current Investments	6	6	771	842
Net Deferred tax assets	708	928	925	917
Other Non-Current Assets	424	464	490	526
Current Assets				
Investments	1,380	1,592	1,391	1,945
Inventories	632	808	724	841
Trade receivables	173	190	187	213
Cash & Bank Balance	141	589	52	(88)
Other Current Assets	157	30	110	110
Total Assets	22,858	26,079	27,554	30,140
Equity				
Equity Share Capital	312	312	312	312
Other Equity	5,571	5,723	5,799	6,116
Total Network	5,883	6,035	6,111	6,428
Non-Current Liabilities				
Long Term borrowings	2,390	3,081	2,881	2,681
Provisions	99	147	167	215
Other non current liabilities	11,553	13,534	15,208	17,226
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	-	-	-	-
Other current liabilities	2,933	3,282	3,187	3,591
Total Equity & Liabilities	22,858	26,079	27,554	30,141

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	964	132	349	785
Add. Depreciation	1,822	2,041	2,367	2,687
Add. Interest	1,097	1,271	1,466	1,560
Less Financial Other Income	185	245	208	189
Add. Other	2,959	2,953	3,738	3,243
Op. profit before WC changes	6,842	6,398	7,920	8,275
Net Changes-WC	168	284	(853)	189
Direct tax	(266)	(9)	(93)	(208)
Net cash from Op. activities	6,743	6,673	6,974	8,256
Capital expenditures	(3,643)	(4,190)	(4,360)	(4,609)
Interest / Dividend Income	-	-	-	-
Others	(82)	(212)	202	(554)
Net Cash from Invt. activities	(3,724)	(4,402)	(4,159)	(5,164)
Issue of share cap. / premium	(3,123)	(3,115)	(3,271)	(3,193)
Debt changes	320	691	(200)	(200)
Dividend paid	-	(43)	(103)	(259)
Interest paid	(1,097)	(1,271)	(1,466)	(1,560)
Others	739	1,916	1,687	1,980
Net cash from Fin. activities	(3,162)	(1,823)	(3,353)	(3,232)
Net change in cash	(143)	449	(538)	(140)
Free Cash Flow	3,100	2,483	2,613	3,647

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	4.5	0.8	1.6	3.7
CEPS	16.2	13.9	16.8	20.9
BVPS	37.7	38.7	39.2	41.2
FCF	19.9	15.9	16.8	23.4
DPS	3.4	0.3	0.7	1.7
Return Ratio(%)				
RoCE	23.4	13.3	17.7	23.8
ROIC	8.8	4.8	6.2	7.6
RoE	12.1	2.1	4.2	9.2
Balance Sheet				
Net Debt : Equity (x)	0.1	0.1	0.2	0.1
Net Working Capital (Days)	-	-	-	-
Valuation(x)				
PER	172.7	976.9	469.1	208.8
P/B	20.5	20.0	19.7	18.7
P/CEPS	47.8	55.6	45.9	36.9
EV/EBITDA	32.8	37.9	30.7	25.0
EV/Sales	5.1	4.9	4.4	3.7
Dividend Yield (%)	0.4	0.0	0.1	0.2

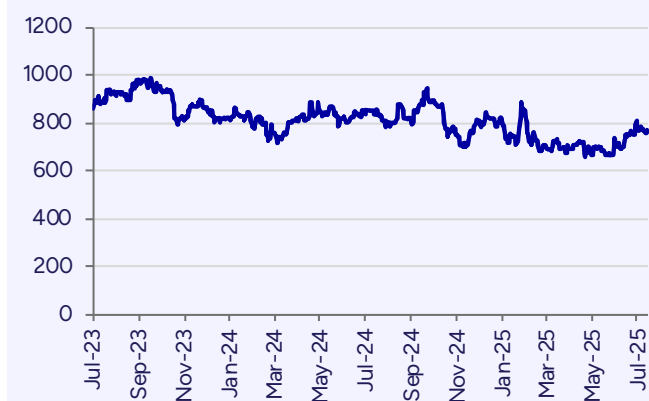
Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q1FY26
Net Revenue	6,163	6,180	6,537	6,576
YoY gr. (%)	0.3	0.5	8.9	6.7
Raw Material Expenses	1,801	1,874	1,956	1,867
Gross Profit	4,362	4,306	4,581	4,709
Margin (%)	70.8	69.7	70.1	71.6
EBITDA	786	760	881	853
YoY gr. (%)	(24.5)	(22.6)	(4.2)	8.5
Margin (%)	12.8	12.3	13.5	13.0
Depreciation / Depletion	494	502	517	550
EBIT	292	258	365	303
Margin (%)	4.7	4.2	5.6	4.6
Net Interest	298	316	329	354
Other Income	51	65	29	68
Profit before Tax	45	7	65	17
Margin (%)	0.7	0.1	1.0	0.3
Total Tax	13	3	(5)	4
Effective tax rate (%)	27.9	49.1	(8.1)	26.1
Profit after Tax	33	4	70	12
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	33	4	70	12
YoY gr. (%)	(88.7)	(98.4)	(59.3)	(62.3)
Margin (%)	0.5	0.1	1.1	0.2
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	33	4	70	12
YoY gr. (%)	(88.7)	(98.4)	(59.3)	(62.3)
Margin (%)	0.5	0.1	1.1	0.2
Other Comprehensive Income	(2)	(5)	(4)	(1)
Total Comprehensive Income	31	(2)	67	11
Avg. Shares O/s (m)	18	18	19	20
EPS (Rs)	1.8	0.2	3.7	0.6

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Jul-25	Hold	769	795
2	15-May-25	Hold	738	700
3	09-Apr-25	Hold	777	706
4	29-Jan-25	Hold	778	718
5	08-Jan-25	Hold	817	823
6	24-Oct-24	Hold	797	802
7	07-Oct-24	Hold	889	889
8	25-Jul-24	Hold	791	833

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Asian Paints	Reduce	2,140	2,485
2	Avenue Supermarts	Hold	3,923	4,064
3	Britannia Industries	BUY	5,941	5,839
4	Colgate Palmolive	Hold	2,453	2,376
5	Dabur India	Hold	501	514
6	Emami	Accumulate	697	573
7	Hindustan Unilever	Accumulate	2,601	2,393
8	ITC	BUY	538	417
9	Jubilant FoodWorks	Hold	689	688
10	Kansai Nerolac Paints	Accumulate	284	251
11	Marico	Accumulate	718	726
12	Metro Brands	Hold	1,195	1,167
13	Mold-tekk Packaging	Accumulate	723	704
14	Nestle India	Accumulate	2,550	2,419
15	Pidilite Industries	BUY	3,428	3,060
16	Restaurant Brands Asia	Accumulate	89	82
17	Titan Company	BUY	3,756	3,441
18	Westlife Foodworld	Hold	769	795

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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