RATING ACCUMULATE | CMP INR 487 | TP INR 543

PL Capital PRABHUDAS LILLADHER

Westlife Foodworld (WESTLIFE IN)

Q1FY27 Result Update

July 30, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	Accumulate		Accumulate	
Target Price	543		552	
Sales (INR mn)	30,165	34,808	30,165	34,808
% Chng.	-	-		
EBITDA (INR mn)	4,188	5,257	4,279	5,361
% Chng.	*(2.1)*	*(1.9)*		
EPS (INR)	1.8	5.8	2.3	6.4
% Chng.	*(21.7)*	*(9.4)*		

Key Data

Key Data	WEST.BO | WESTLIFE IN
BSE Code	505533
NSE Code	WESTLIFE
52-W High / Low	INR 780 / INR 398
Face Value	2
Sensex / Nifty	77,928 / 24,317
Market Cap	INR 76 bn / $ 794 mn
Shares Outstanding	155.94 mn
3M Avg. Daily Value	INR 78.31 mn

Shareholding Pattern (%)

Promoters	56.40
FIIs	6.93
Mutual Funds	28.31
Domestic Institutions	7.84
Public & Others	0.53
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(0.4)	2.3	(1.3)	(35.2)
Relative	(2.3)	1.0	4.2	(32.2)

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	24,902	26,245	30,165	34,808
EBITDA (INR mn)	3,188	3,367	4,188	5,257
Margin (%)	*12.8*	*12.8*	*13.9*	*15.1*
PAT (INR mn)	121	(99)	292	919
EV (INR mn)	76,835	77,560	74,720	73,797
Total Debt (INR mn)	3,081	2,996	2,796	2,596
C&C Eq. (INR mn)	589	169	2,502	2,645
EPS (INR)	0.8	(0.6)	1.9	5.9
Gr. (%)	*(82.9)*	*(181.5)*	*(396.1)*	*214.5*
DPS (INR)	-	0.8	0.8	2.9
Yield (%)	-	*0.2*	*0.2*	*0.6*
RoE (%)	*2.0*	*(1.6)*	*4.6*	*13.8*
RoCE (%)	*13.2*	*12.1*	*18.6*	*26.9*
EV/Sales (x)	3.1	3.0	2.5	2.1
EV/EBITDA (x)	24.1	23.0	17.8	14.0
PE (x)	1	(769.1)	259.7	82.6
P/BV (x)	12.6	12.3	11.8	11.1

Recovery sets in, risk reward favorable

Quick Pointers

- WFL aims to cross Rs30bn in sales in FY27 with mid single digit SSSG in medium term
- Gross margins guidance at ~67%+ over near term
- South continues to recover with positive SSSG
- 100-150bps margin expansion annually

We remain optimistic on WFL's near-term outlook driven by 1) healthy demand outlook with FY27 sales target of Rs30bn, 2) continued recovery in South supported by positive SSSG, 3) healthy sequential improvement in footfalls across regions, and 4) likely peaking of input inflation, supporting operating leverage. WFL guided for mid-single-digit SSSG in the near term with 100–150bps YoY EBITDA margin expansion annually led by better product mix and cost engineering. We expect GM to expand ~80bps over FY26–FY28 on supply-side efficiencies and easing input inflation. We expect operating leverage and cost control to drive ~320bps expansion in pre-Ind AS EBITDA margin over FY26–FY28.

WFL remains focused on long-term growth drivers, including 1) product innovation across burgers, chicken and coffee-led combos, including McSaver meals and subscription program in McCafé 2) store expansion with guidance of 580–630 stores by CY27 (~ net 60 additions in FY27). WFL trades at 14.1x FY28 Pre-Ind AS EV/EBITDA. WFL offers favorable risk reward on hopes of sustained recovery in demand. We rollover to June28 and Maintain Accumulate with DCF-based target price of Rs543.

Financial Highlights

- Revenues grew by 11.9% YoY to Rs7.4bn. SSG came in at 4.3% (Ple: 3.5%)
- Gross margins contracted by 405bps YoY to 67.6% (Ple: 67.8%). EBITDA grew by 8.9% YoY to Rs929mn (PLe:Rs1037mn); Margins contracted by 34bps YoY to 12.6% (PLe:14.2%)
- Adjusted PAT declined by 52.2% YoY to Rs6mn (PLe:Rs97mn). 5 New restaurants were added in 1Q taking the total count to 482 stores.

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	*% Var.*	Q1'26A	*YoY gr. (%)*
Net Sales (INR mn)	7,300	7,356	*0.8*	6,576	*11.9*
EBITDA (INR mn)	1,037	929	*-10.4*	853	*8.9*
Margin (%)	*14.2*	*12.6*	*-157 bps*	*13.0*	*-34 bps*
PAT (INR mn)	97	6	*-93.9*	12	*-52.2*

Source: Company, PL

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Concall Takeaways:

- SSSG came at 4.3% in 1Q led by double digit guest count growth across West and South market
- South reported positive SSSG with momentum continuing in Q2
- May-Jun posted mid-single-digit SSSG, with Jul likely to sustain similar momentum.
- Company aims to reach Rs30bn in sales in FY27 led by improving demand condition
- WFL to focus on acquiring customers first and subsequently improving ticket size through product mix.
- Lower Q1 store additions were due to temporary equipment availability issues (electric fryer inventory linked to LPG transition)
- Inflation across food, packaging, fuel, utilities and labour remained elevated in Q1 with impact across the P&L exceeding 200 bps in 1Q
- WFL aims to improve EBITDA margins by ~100–150 bps annually led by combination of improving product mix & cost engineering
- Q1 represents the peak of inflationary pressure, with costs expected to moderate going forward.
- pricing actions will be taken carefully to avoid impacting consumer traffic.
- Digital sales contribution stood at 74%, growing by 150 bps YoY, led by higher engagement across the McDelivery platform
- Like for like GM declined QoQ led by higher fuel, food & packaging costs.
- Inflationary pressures likely to ease with improving geopolitical conditions; GM guided to sustain above 67% over the near-to-medium term.
- WFL is aims to open 60+ restaurants in FY27 with remains on track to take total count to 580-630 by Dec'2027

Exhibit 1: Quarterly Estimates

(Rs. Mn)	1QFY27	*YoY gr. (%)*	Q2FY27E	*YoY gr. (%)*	Q3FY27E	*YoY gr.(%)*	Q4FY27E	*YoY gr. (%)*
Net Sales	7,356	*12*	7,317	*14*	7,780	*16*	7,712	*18*
EBITDA	929	*8.9*	973	*44.9*	1,175	*20.5*	1,111	*27.9*
Margin(%)	*12.6*		*13.3*		*15.1*		*14.4*	
Adj. PAT	6	*-52.2*	43	*-117.0*	165	*100.6*	78	*230.5*

Source: Company, PL

Exhibit 2: Revenue up 11.9% YoY, EBITDA margin contracted by 32bps YoY

Y/e March	Q1FY27	Q1FY26	YoY %	Q1FY27E	Var%	Q4FY26	FY27E	FY26	YoY %
Net Sales	**7,356**	**6,576**	***11.9***	**7,300**	***0.8***	**6,554**	**30,165**	**26,256**	***14.9***
Gross Profit	4,970	4,709	*5.5*	4,949	*0.4*	4,464	20,543	18,347	*12.0*
% of NS	*67.6*	*71.6*	*(4.1)*	*67.8*		*68.1*	*68.1*	*69.9*	*(1.8)*
Other Expenses	4,040	3,856	*4.8*	913	*342.6*	3,595	16,264	14,979	*8.6*
% of NS	*54.9*	*58.6*	*(3.7)*			*54.9*	*53.9*	*57.0*	*(3.1)*
EBITDA	**929**	**853**	***8.9***	**1,037**	***(10.4)***	**869**	**4,279**	**3,368**	***27.0***
Margins %	*12.6*	*13.0*	*(0.3)*	*14.2%*		*13.3*	*14.2*	*12.8*	*1.4*
Depreciation	600	550	*8.9*	590	*1.6*	575	2,481	2,262	*9.7*
Interest	388	354	*9.4*	380	*2.0*	368	1,602	1,455	*10.1*
Other Income	66	68	*(3.2)*	65	*1.4*	65	281	314	*(10.5)*
PBT	**8**	**17**	***(52.5)***	**132**	***(94.0)***	**-10**	**490**	**-34**	***(1,523.9)***
Tax	2.0	4.3	*(53.5)*	34.9		(33.3)	129.8	98.1	*32.3*
Tax rate %	*25.5*	*26.1*		*26.5*		*349.7*	*26.5*	*(285.2)*	
Adjusted PAT	**6**	**12**	***-52***	**97**	***(93.9)***	**24**	**360**	**-133**	***-372***

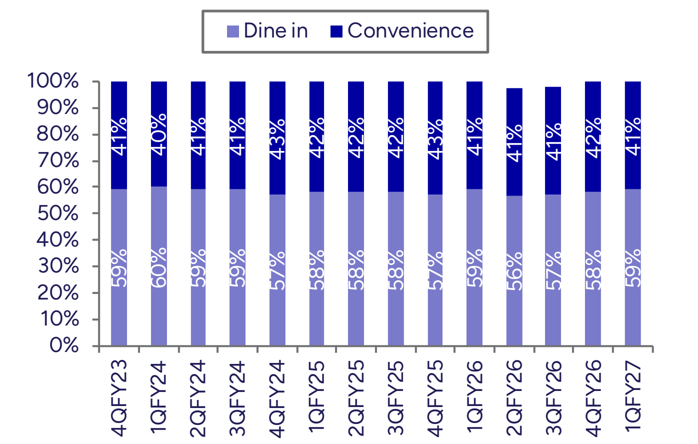
Source: Company, PL

Exhibit 1 : Pre-IND AS EBITDA margin contracted by 20bps YoY

	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27
No. of stores	**408**	**421**	**438**	**444**	**450**	**458**	**477**	**482**
Additions	5	13	17	6	6	8	19	5
Avg sales/store	15.2	15.8	13.8	14.9	14.4	14.8	13.7	15.3
% growth	*-9%*	*-1%*	*-5%*	*-3%*	*-5.8%*	*-6.3%*	*-0.2%*	*2.3%*
Pre IndAS EBITDA	**476**	**595**	**462**	**505**	**400**	**619**	**490**	**551**
% growth	*-35%*	*-13%*	*-5%*	*1%*	*-16%*	*4%*	*6%*	*9%*
Pre IndAS EBITDA margin%	*7.7%*	*9.1%*	*7.7%*	*7.7%*	*6.2%*	*9.2%*	*7.5%*	*7.5%*
McCafe SIS	**372**	**401**	**418**	**425**	**436**	**436**	**470**	**482**
% Of total stores	*91%*	*95%*	*95%*	*96%*	*97%*	*95%*	*98%*	*100%*

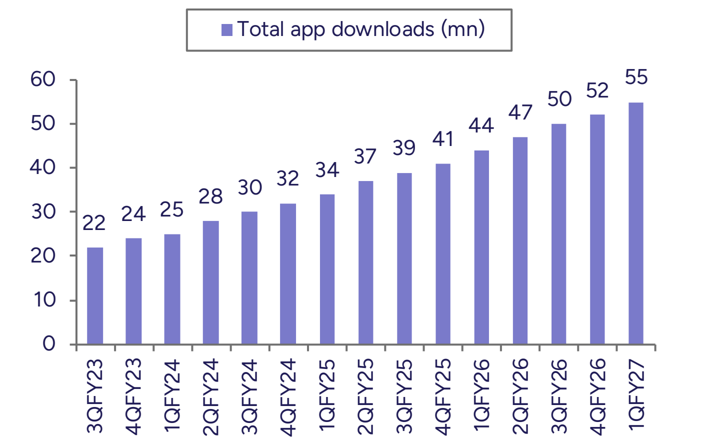
Source: Company, PL

Exhibit 2 : Off-premise sales stabilizing at ~42-41%



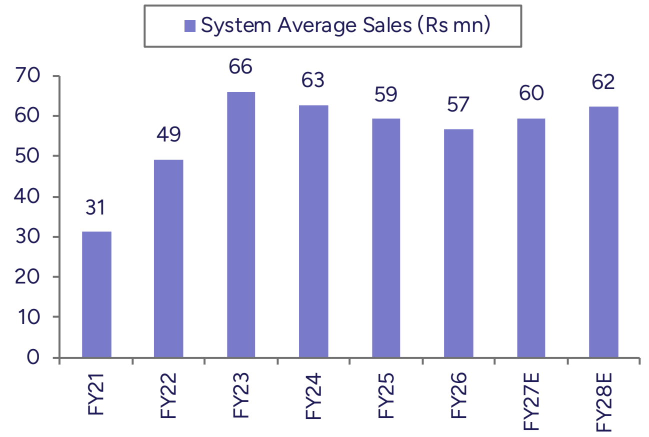
Source: Company, PL

Exhibit 3 :App installations inch up to 55mn downloads in 1Q



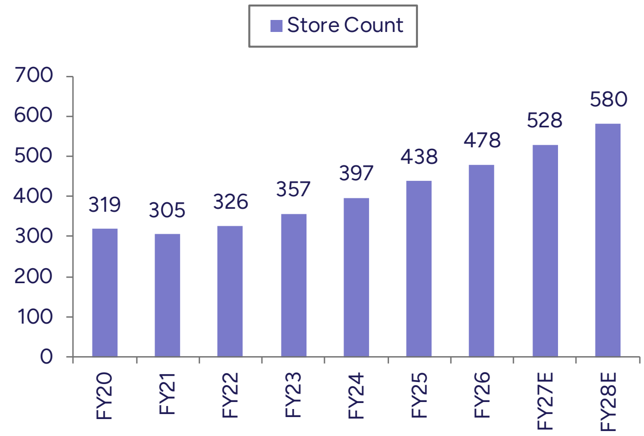
Source: Company, PL

Exhibit 4: Sales/store to grow by 4.4% CAGR over FY26-28



Source: Company, PL

Exhibit 5: Store count to reach ~580 by FY28



Source: Company, PL

Exhibit 4 : Westlife driving traction through affordable schemes

Source: Company, PL

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	**24,902**	**26,245**	**30,165**	**34,808**
YoY gr. (%)	*4.2*	*5.4*	*14.9*	*15.4*
Cost of Goods Sold	8,396	8,482	9,623	10,964
Gross Profit	16,505	17,763	20,543	23,843
Margin (%)	*66.3*	*67.7*	*69.0*	*69.0*
Employee Cost	3,598	3,980	4,545	5,243
Other Expenses	3,436	3,950	4,322	4,890
EBITDA	**3,188**	**3,367**	**4,188**	**5,257**
YoY gr. (%)	*(13.8)*	*5.6*	*24.4*	*25.5*
Margin (%)	*12.8*	*12.8*	*13.9*	*15.1*
Depreciation and Amortization	2,042	2,262	2,481	2,750
EBIT	**1,146**	**1,105**	**1,708**	**2,507**
Margin (%)	*4.6*	*4.2*	*5.7*	*7.2*
Net Interest	1,271	1,455	1,602	1,673
Other Income	255	324	292	417
Profit Before Tax	**130**	**(25)**	**398**	**1,251**
Margin (%)	*0.5*	*-*	*1.3*	*3.6*
Total Tax	9	73	105	331
Effective Tax Rate (%)	*6.9*	*(290.2)*	*26.5*	*26.5*
Profit After Tax	**121**	**(99)**	**292**	**919**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**121**	**(99)**	**292**	**919**
YoY gr. (%)	*(82.9)*	*(181.5)*	*(396.1)*	*214.5*
Margin (%)	*0.5*	*-*	*1.0*	*2.6*
Extra Ord. Income / (Exp)	-	431	-	-
Reported PAT	**121**	**332**	**292**	**919**
YoY gr. (%)	*(82.9)*	*174.5*	*(12.1)*	*214.5*
Margin (%)	*0.5*	*1.3*	*1.0*	*2.6*
Other Comprehensive Income	(6)	-	-	-
Total Comprehensive Income	115	332	292	919
Equity Shares O/s (mn)	**156**	**156**	**156**	**156**
EPS (INR)	**0.8**	**-**	**1.9**	**5.9**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	**30,001**	**34,257**	**36,659**	**40,646**
Tangibles	28,594	32,726	35,102	39,014
Intangibles	1,407	1,531	1,557	1,632
Acc: Dep / Amortization	**9,490**	**11,740**	**14,221**	**16,971**
Tangibles	8,931	11,099	13,495	16,155
Intangibles	559	641	727	816
Net Fixed Assets	**20,511**	**22,517**	**22,438**	**23,675**
Tangibles	19,663	21,627	21,607	22,859
Intangibles	848	890	830	816
Capital Work In Progress	255	685	275	296
Goodwill	-	-	-	-
Non-Current Investments	6	6	6	6
Net Deferred Tax Assets	928	1,012	1,008	996
Other Non-Current Assets	464	707	501	543
Current Assets				
Investments	1,592	1,201	1,508	2,088
Inventories	808	699	923	1,051
Trade Receivables	190	172	219	251
Cash & Bank Balance	589	169	2,502	2,645
Other Current Assets	31	17	110	110
Total Assets	**26,079**	**28,302**	**30,308**	**32,560**
Equity				
Equity Share Capital	312	312	312	312
Other Equity	5,723	5,879	6,099	6,559
Total Networth	**6,035**	**6,191**	**6,411**	**6,871**
Non-Current Liabilities				
Long Term Borrowings	3,081	2,996	2,796	2,596
Provisions	147	227	194	252
Other Non Current Liabilities	13,534	15,445	17,231	19,055
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade Payables	-	-	-	-
Other Current Liabilities	3,282	3,444	3,676	3,787
Total Equity & Liabilities	**26,079**	**28,302**	**30,308**	**32,560**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	130	(25)	398	1,251
Add. Depreciation	2,042	2,262	2,481	2,750
Add. Interest	1,271	1,455	1,602	1,673
Less Financial Other Income	255	324	292	417
Add. Other	2,953	2,544	3,726	3,186
Op. Profit before WC Changes	6,397	6,236	8,207	8,860
Net Changes-WC	284	301	(132)	(49)
Direct Tax	(9)	(73)	(105)	(331)
Net Cash from Op. Activities	**6,672**	**6,464**	**7,969**	**8,479**
Capital Expenditures	(4,191)	(4,698)	(1,991)	(4,009)
Interest / Dividend Income	-	-	-	-
Others	(212)	391	(307)	(580)
Net Cash from Invt. Activities	**(4,403)**	**(4,307)**	**(2,298)**	**(4,589)**
Issue of Share Cap. / Premium	(3,156)	(2,821)	(3,134)	(3,193)
Debt Changes	691	(85)	(200)	(200)
Dividend Paid	-	(117)	(132)	(460)
Interest Paid	(1,271)	(1,455)	(1,602)	(1,673)
Others	1,916	1,901	1,729	1,778
Net Cash from Fin. Activities	**(1,821)**	**(2,577)**	**(3,338)**	**(3,748)**
Net Change in Cash	**448**	**(420)**	**2,333**	**143**
Free Cash Flow	2,480	1,766	5,978	4,470

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Net Revenues	**6,419**	**6,707**	**6,554**	**7,356**
YoY gr. (%)	*3.9*	*2.6*	*8.7*	*11.9*
Raw Material Expenses	1,769	2,183	2,090	2,387
Gross Profit	4,649	4,525	4,464	4,970
Margin (%)	*72.4*	*67.5*	*68.1*	*67.6*
EBITDA	**671**	**975**	**869**	**929**
YoY gr. (%)	*(11.7)*	*10.6*	*12.8*	*8.9*
Margin (%)	*10.5*	*14.5*	*13.3*	*12.6*
Depreciation / Depletion	574	562	575	600
EBIT	**97**	**413**	**293**	**330**
Margin (%)	*1.5*	*6.2*	*4.5*	*4.5*
Net Interest	363	370	368	388
Other Income	107	74	65	66
Profit before Tax	**(158)**	**117**	**(10)**	**8**
Margin (%)	*(2.5)*	*1.7*	*-*	*0.1*
Total Tax	92	35	(33)	2
Effective Tax Rate (%)	*(58.3)*	*29.6*	*349.7*	*25.5*
Profit After Tax	**(251)**	**82**	**24**	**6**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**(251)**	**82**	**24**	**6**
YoY gr. (%)	*(7,081.7)*	*17.5*	*56.0*	*(52.2)*
Margin (%)	*(3.9)*	*1.2*	*0.4*	*0.1*
Extra Ord. Income / (Exp)	528	(72)	-	-
Reported PAT	**277**	**10**	**24**	**6**
YoY gr. (%)	*7,611.2*	*(85.5)*	*56.0*	*(52.2)*
Margin (%)	*4.3*	*0.2*	*0.4*	*0.1*
Other Comprehensive Income	-	(5)	12	-
Total Comprehensive Income	**277**	**6**	**36**	**6**
Avg. Shares O/s (mn)	20	20	21	21
EPS (INR)	**(12.5)**	**4.1**	**1.1**	**0.3**

Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	0.8	-	1.9	5.9
CEPS	13.9	13.9	17.8	23.5
BVPS	38.7	39.7	41.1	44.1
FCF	15.9	11.3	38.3	28.7
DPS	-	0.8	0.8	2.9
Return Ratio (%)				
RoCE	13.2	12.1	18.6	26.9
ROIC	4.8	4.1	6.5	9.0
RoE	2.0	(1.6)	4.6	13.8
Balance Sheet				
Net Debt : Equity (x)	0.1	0.3	-	-
Net Working Capital (Days)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Valuation (x)				
PER	1.0	(769.2)	259.7	82.5
P/B	12.5	12.2	11.8	11.0
P/CEPS	35.1	35.1	27.3	20.6
EV/EBITDA	24.0	23.0	17.8	14.0
EV/Sales	3.0	2.9	2.4	2.1
Dividend Yield (%)	-	0.1	0.1	0.6
FCFF Yield (%)	3.2	2.3	7.8	5.8
PEG Ratio	1.0	4.2	-	0.3

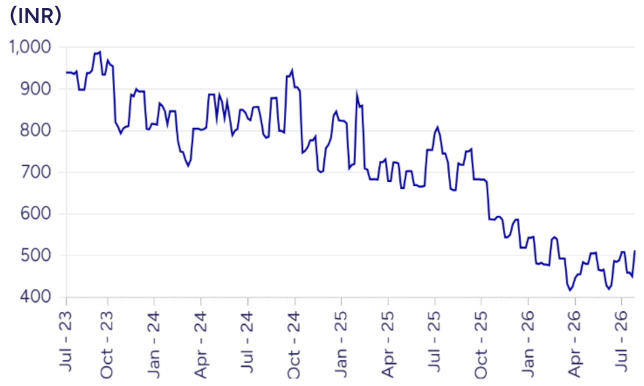
Source: Company, PL

Key Operating Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
SSG %	-	-	-	-
MCD Stores	438	478	528	580
FCFF/PAT	20	(18)	20	5

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	08-Jul-26	Accumulate	552	508
2	07-May-26	Accumulate	552	501
3	09-Apr-26	Accumulate	552	457
4	27-Mar-26	Accumulate	552	437
5	04-Feb-26	Hold	552	477
6	08-Jan-26	Hold	579	525
7	03-Nov-25	Hold	604	583
8	08-Oct-25	Hold	748	677
9	24-Jul-25	Hold	745	772
10	09-Jul-25	Hold	769	795

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Asian Paints	HOLD	2720	2758
2	Avenue Supermarts	HOLD	4000	3847
3	Britannia Industries	BUY	6441	5452
4	Colgate Palmolive	HOLD	2242	2166
5	Dabur India	HOLD	492	434
6	Emami	HOLD	469	146
7	Hindustan Unilever	Accumulate	2320	2023
8	ITC	Reduce	302	289
9	Jubilant FoodWorks	BUY	576	455
10	Marico	Accumulate	876	848
11	Metro Brands	Accumulate	1187	1058
12	Nestle India	Accumulate	1606	1494
13	Pidilite Industries	BUY	1729	1622
14	Restaurant Brands Asia	Accumulate	76	73
15	Titan Company	BUY	5209	4604
16	Westlife Foodworld	Accumulate	552	508

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

ANALYST CERTIFICATION

Indian Clients

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