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November 13, 2025

To,

National Stock Exchange of India Ltd. Exchange Plaza, Block G, C/1, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Email: cm1ist@nse.co.in Symbol: DEVYANI	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Email: corp.relations@bseindia.com Security Code: 543330
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Sub: Transcript of Investors & Analysts Conference Call

Dear Sir/ Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, transcript of the Investors & Analysts Conference Call held on November 6, 2025, post declaration of Unaudited Financial Results of the Company for the Quarter and Half Year ended September 30, 2025, is enclosed.

The same is also being uploaded on website of the Company at www.dil-rjcorp.com.

You are requested to take the above on record.

Yours faithfully,

For Devyani International Limited

Pankaj Virmani
Chief Sustainability Officer & Company Secretary

Encl.: As above





Devyani International Limited

Q2 & H1 FY26 Earnings Conference Call Transcript

November 6, 2025

Moderator: Ladies and gentlemen, good day and welcome to the Devyani International's Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity to ask questions after the presentation concludes. Please note that this conference is being recorded.

I now hand the conference over to Mr. Anoop Poojari from CDR India. Thank you, and over to you, sir.

Anoop Poojari: Thank you. Good afternoon everyone and thank you for joining us on Devyani International's Q2 & H1 FY26 Earnings Conference Call.

We have with us Mr. Ravi Jaipuria - Non-Executive Chairman of the Company, Mr. Raj Gandhi - Non-Executive Director, Mr. Virag Joshi - CEO and Whole-Time Director and Mr. Manish Dawar - CFO and Whole-Time Director of the Company.

We will initiate the call with opening remarks from the Chairman, followed by key financial highlights from the CFO. Thereafter, we will have the forum open for a question-and-answer session.

Before we begin, I would like to point out that some statements made in today's call may be forward-looking in nature and a disclaimer to this effect has been included in the results presentation shared with you earlier.

I would now request Mr. Ravi Jaipuria to make his opening remarks.

Ravi Jaipuria: Good afternoon everyone, and thank you for joining us today. I am pleased to welcome you all to Devyani International's post results earnings conference call to discuss our performance for the second quarter of the fiscal year 2025-26. The second quarter of the current fiscal year, saw perhaps the most important policy development for consumer and retail industry. The GST Council meeting formalized the transition towards GST 2.0, a historic move to simplify and harmonize the GST framework to a 2-tier structure. While it's still early to assess the results of this transition, the initial signs are encouraging, and all of us have seen a significant upside in certain consumption categories like automobiles and durables. The impact

of the change has been very minimal on the QSR category and our business. We have already passed on the benefits of reduced input costs to consumers. Overall, GST 2.0 is a welcome move to broaden the consumption story in India.

We continue to expand our store network with 30 additional KFC and another 3 additional Pizza Hut stores. We also test launched Tealive by way of opening six new outlets during the quarter. The initial customer feedback is positive, and we plan to expand the brand after the test launch phase.

Our recent acquisitions, Biryani By Kilo and Goila Butter Chicken continue to do well, and we have seen a strong momentum in the business post Dussehra. The integration of Sky Gate with DIL remains on track. As shared earlier, our goal is to achieve brand contribution breakeven by March 2026, and we are pleased to report steady progress towards this milestone. We remain confident of meeting this target.

Being a festive quarter, our promotions targeted both the topical events, Pujo and Onam specials, as well as the core offerings. KFC saw pan-India launch of the “Chana Chatpata Burger” attractively priced at INR 69 and comprising of protein rich vegetarian patty. We have also started rolling out a new grilled chicken offering and new limited time offering (LTOs) in the beverage and desserts category.

We launched “Ultimate Cheese crust” and “flip the cheese” in Pizza Hut across all channels. Customer response has been enthusiastic and has encouraged us to expand the offering to combos and meal offers as well.

We saw both Shraavana and Navaratri fall in the same quarter, impacting out-of-home consumption. Further, unseasonal rains, especially in eastern part of the country during the crucial second half of September impacted our sales.

Despite external factors, our consolidated revenues grew to INR 1,377 crore, a 13% year-on-year growth.

While the industry has navigated a challenging environment over the past few years, we have continued to strengthen our fundamentals and adapt to evolving consumer preference. The resilience of our brands, disciplined execution and ongoing operational improvements have enabled us to grow despite these headwinds. India's consumption story continues to present significant opportunities for organized players like us. With a strong foundation and a diversified portfolio, we are well positioned to capture these opportunities and deliver sustainable, profitable growth in the years ahead.

With this, I would like to conclude my address and now I hand over to Manish for the financial highlights. Thank you very much.

Manish Dawar:

Thank you Mr. Jaipuria. Good evening everyone. A very warm welcome and thank you for your valuable time for attending DIL's Q2 & H1 FY26 Earnings Conference Call. Our 17th such call since our listing in August 2021.

We ended September 2025 with a total store count of 2,184 stores, comprising 1,100 KFC stores and 630 Pizza Hut stores globally. As mentioned by the Chairman earlier, we also opened 6 outlets of Tealive during the quarter by way of test launch.

The consolidated operating revenue for Q2 FY26, including Sky Gate, was INR 1,377 crore, up 12.6% Year-on-Year. Consolidated Q2 FY26 gross profit came in at INR 933 crore, up 10.1% Year-on-Year, with margins at 67.8%. Brand contribution margin was at 11.7% versus 13.6% last year. Excluding Sky Gate, brand contribution would have been higher at 12.4%. The organic dip is on account of decline in margins in the Indian operations, slightly offset by steady performance in international business.

Consolidated operating EBITDA on a pre-IND AS basis was INR 93 crore with margins at 6.8% versus 8.1% in the previous quarter. This quarter saw the full impact of consolidation of Sky Gate, which adversely impacted the margins. As guided earlier, we are on track to achieve the breakeven at brand contribution level for Sky Gate by the end of the current financial year. Excluding the Sky Gate impact, operating EBITDA would have been higher at 7.6%. Start-up costs related to new franchise brands like Tealive, New York Fries and Sanook Kitchen have also impacted the margin to some extent. Reported EBITDA was INR 194 crore, with margins standing at 14.1%.

The Indian operations, including Sky Gate, grew 12.1% Year-on-Year to reach INR 937 crore in revenues. Gross margin came in at 69.7%, a decline of 1.9% versus the previous year, primarily on account of consolidation of Sky Gate and due to investments to support transactions growth in the online business. Ex-Sky Gate impact, gross margins of Indian operations slightly improved on a sequential basis.

Lower gross margin, increased aggregator and delivery expenses due to higher saliency of off-premise sales in KFC led to overall lower brand contribution in India.

Moving the discussion to our brands. KFC in India added 30 net new stores in Q2 FY26. With this, the total store count for KFC in India stands at 734 stores as of 30th September, and we are on track to open approximately 100 to 110 new stores of KFC this year. Average daily sales for Q2 FY26 at INR 89,000 reflects seasonal

variance. Revenues came in at INR 572 crore, up 5.3% Year-on-Year. Gross margin was at 68.1%. The brand contribution margin came in at 14.1% for Q2 FY26 due to lower gross profit margin, higher delivery and aggregator costs and deleverage on account of lower ADS.

We opened 3 net new stores in Pizza Hut in Q2 FY26, ending with 621 stores in India. Pizza Hut India revenue for the quarter was INR 186 crore. ADS at 33,000 remained flat on a sequential basis with SSSG at minus 4%. Gross margin was also stable quarter-on-quarter at 74.8%. Prudent cost control helped us in achieving near breakeven at the brand contribution level.

Franchise Brands, which includes Costa Coffee, and the newer brands in India posted revenues of INR 51 crore, with gross margins at 73.6% and brand contribution of INR 5.4 crore. Brand contribution for the division includes the start-up costs associated with the new brands.

Own brands, which includes Vaango, Biryani By Kilo and Goila Butter Chicken recorded INR 86 crore in revenues, including Sky Gate portfolio, with gross margins at 62.6%.

Brand contribution margin came in at 0.6% again, primarily on account of consolidation of Sky Gate. The dilution in gross margin and brand contribution, as I said, is primarily owing to Sky Gate portfolio, and as mentioned earlier, we are on track to achieve breakeven numbers by end of current financial year.

Our international business continues to demonstrate resilience and strong performance. Revenues reached at INR 450 crore in Q2 FY26, up 14% Year-on-Year, with gross margins at 64%, brand contribution of INR 75 crore, representing 16.7% margins. It's higher on a Year-on-Year basis, led by strong performance in Thailand.

Mr. Jaipuria spoke about the introduction of GST 2.0. While it is still early days, we are hopeful that the savings generated through GST reduction should boost consumption. Our initial estimates suggest that we may get some modest benefits due to lower GST on slightly lower input cost. We have already passed on this benefit to the consumers through reduction in the prices of key SKUs of our brands. I would also like to reiterate that output GST for us continues to remain at the same level, and we are not allowed to take input tax credit on our products.

We remain focused and disciplined in our pursuit of sustainable and profitable growth, leveraging our strong brands, expanding the portfolio and operational excellence to deliver consistent performance going forward.

On that note, I would like to request the moderator to open the forum for any questions or suggestions that you may have. Thank you very much.

Moderator: Thank you. We will now begin with the question-and-answer session. Our first question comes from the line of Devanshu Bansal from Emkay Global.

Devanshu Bansal: Sir, you seemed to have optimized the promotions for KFC as the gross margin drop has been relatively much lower in Q2 versus what we saw in Q1. So, wanted to check adjusted for this shift of Navaratri in Q2, were the underlying SSSG trends for KFC comparable to what we saw in Q1? So that was the first question.

Manish Dawar: Devanshu, you want to complete your questions or should I answer?

Devanshu Bansal: Yes, please answer sir. So basic question is that promotion seems to have reduced because gross margin dip is relatively lower. So, I wanted to check whether the underlying SSSG trends in Q2 adjusted for the Navaratri share, were they broadly similar to what we saw in Q1, despite a reduction in promotion. So that was the first question.

Manish Dawar: Sure. So, on a quarter-on-quarter basis, we've seen slight improvement in the gross margin of KFC versus, let's say, when you compare it to a year-on-year basis. And the reason, we supported the brand from a brand contribution point of view because as you know, in the current quarter, we had this peculiar situation whereby Dussehra and the Navaratri came in the same quarter, which was unlike the previous year. And therefore, we saw a kind of prolonged dip in the SSSG. But to your other question, in terms of net of the impact on the brand because of these two events, it was pretty much positive. However, the other thing that you would like to note that Calcutta or East is a big region for us. And during Pujo, there were very strong rains in East, which impacted the overall offtake. So that was the other reason which kind of impacted the overall KFC numbers.

Devanshu Bansal: Fair enough, Manish. Secondly, just a bookkeeping thing. So basic calculation suggest that Biryani By Kilo is at about INR 52 crore quarterly run rate and about INR 3 - 3.5 crore of brand level loss. So, adjusting for that, the other businesses has seen a very strong growth, right? So, if my calculation is right, that INR 52 crore has moved to INR 67 crore. So, I wanted to understand again which all portfolios are seeing a very strong traction there?

Manish Dawar: See, overall, the brands are doing fine, as you said, because we've given the numbers in some places without the Sky Gate portfolio as well. We've consolidated

Sky Gate fully during the quarter. And Sky Gate, as I mentioned earlier, was sitting at a double-digit brand contribution losses. We've started working on the same. We are hopeful that by end of this financial year, at a brand contribution level, Sky Gate, we will achieve the breakeven numbers. And after that, we are going to be working on improving the margins to kind of come back to our average portfolio margins, which might take a little time. But we are very confident that we'll be able to achieve the breakeven brand contribution numbers by March of 2026. At the same time, we've also tested Biryani By Kilo brand at our Bombay airport and Pune airport locations. The brand has seen good traction, and therefore, we are actually planning to expand the brand into our food court locations to test the model in the food court so that we are able to kind of work out the long-term strategy post our tests in various channels.

Devanshu Bansal: Yes. So, adjusted for BBK, firstly wanted to say, if the calculation was right, INR 52 crore run rate and INR 3 crore to INR 4 crore of brand level loss?

Manish Dawar: Yes, your calculation is right, broadly.

Devanshu Bansal: So, if we address this, then what is leading that 30%, 35% kind of growth. So, I wanted to understand that.

Manish Dawar: Are you talking about only the own brands portfolio?

Devanshu Bansal: Yes, yes. Only the own brands portfolio.

Manish Dawar: No, for only the own brand portfolio, your inference is not correct. Because own brand has Vaango and Biryani By Kilo. And Vaango is pretty steady, there's no exceptional movement in Vaango. The dip in Brand Contribution is on account of Biryani By Kilo. So maybe we can connect on an offline basis to go through the numbers that you are working on and then we can address your query.

Moderator: Our next question comes from the line of Gaurav Jogani from JM Financial.

Gaurav Jogani: So, my question is in regards to the Yum Brands global commentary on Pizza Hut franchise. So, would you have any comments on that they are planning to rationalize? And if they do, what kind of an impact can it have on us?

Manish Dawar: Gaurav, there are two ways to look at this. One is, let me first talk about where we stand versus the Yum announcement. So as far as we are concerned, all of our agreements are well protected. And in case of any such event, there's no difference that is going to impact us as far as the India business or any of the other businesses where we have Pizza Hut. So we are fully protected on the development agreements and the store level agreements that we've talked about in the past. So therefore, that

is not an issue. We feel, again, let's say, for example, if you were to look at the media reports and all, this actually might bring focus on the Pizza Hut brand, and therefore, it could well be positive for us. So that's how we are reading and we are optimistic about this whole change that Yum has announced, but let's see. It's too early to say because right now, they've announced only their intention. So, we've also read and we also know only to whatever extent you guys know.

Gaurav Jogani: Okay. Sure. Sir, just one clarification regarding KFC. Is the inference right that the promotional intensity has been lower on a Quarter-on-Quarter basis and hence, the gross margin expansion, what we have seen?

Manish Dawar: See, the promotional intensity actually was higher compared to what we've seen because seasonally, one, it was a low quarter. Second, we had Shraavan and Navaratri falling in the same quarter. And hence, we actually supported the brand to that extra extent. So therefore, we've not reduced the promotional intensity. If at all, I mean, we are trying to kind of maintain the transactions because typically, in a quarter like this, it has a double whammy impact, and therefore, we never reduce the promotional intensity.

Gaurav Jogani: Sure. So sir, what really led this Quarter-on-Quarter expansion in gross margin then?

Manish Dawar: See, because there have been some changes in the input costs and all, but that is small. At the same time, we also looked at some efficiency in operations, some tweak in the consumptions and so on and so forth.

Gaurav Jogani: So, the gross margins that we have done, can believe that this is sustainable because even in the quarter where you continue to maintain promotions, etc., and still you are able to clock these gross margins. So, should one assume that this should be sustainable and maybe improve going ahead?

Manish Dawar: So Gaurav, on a material cost basis and the efficiency basis, obviously, it is sustainable. But again, depending on the promotional intensity, depending on how much we are pushing on online versus offline. To that extent, the gross margins can vary.

Gaurav Jogani: Sure. And sir, just lastly on KFC only. I mean this quarter, we have seen a very strong expansion on the storefront. So, any guidance that you can give on store expansion both on the KFC and the Pizza Hut and that would be the last question from me.

Manish Dawar: Gaurav, we've talked about in the past at KFC, we are planning to open about 100 to 110 outlets, and we remain firm on our guidance. We will open those number of outlets. And you will see, I mean, we've demonstrated in the current quarter, we've

opened about 30 KFC outlets. So, we will be able to meet those numbers. As far as Pizza Hut is concerned, as I have mentioned on the call earlier, we optimized our commentary on the net new units. As I said, we are kind of in negotiations with Yum on various other things. So that is still on. And therefore, on Pizza Hut also, we are talking about muted net new units.

Moderator: Our next question comes from the line of Jignanshu Gor from Bernstein.

Jignanshu Gor: I just had one question on KFC. First, a lot of the new promos that you are seeing or the menu items that you are seeing, this seem to be special initiatives for driving walk-ins because for example, Chana Burger, only a combination of two is available online, not individual, right? Masala rice, I can't find even in Hyderabad, etc. Our dine-in has reduced considerably, right, Year-on-Year. So how are you seeing your efforts in driving demand? Like what is your primary focus? Is it either demand? Is it dine-in demand? Or how are you optimizing for that?

Manish Dawar: Jignanshu, see, if you look at, let's say, the overall consumer trends, they are kind of moving in favour of home delivery, right. And there's a very strong traction behind delivery. And hence, we are putting in some extra efforts to make sure that our dine-in also continues to be relevant. And as you know, dine-in channel is more profitable for us. And we are taking efforts so that we are able to attract consumers into the stores and continue to make dine-in a robust business.

Jignanshu Gor: But have you seen a trend there that your existing customers are preferring delivery and only new customers are predominantly dine-in. So, are you swimming against the tide in a way by trying to do that? So just want to get a sense of whether you see this shift towards delivery stabilizing at some point?

Manish Dawar: See, you are able to see the shift across all the companies, right. Whether you look at e-commerce, quick commerce, QSR, I mean, that shift is there everywhere. At the same time, for example, in our portfolio, we need to have the stores to be able to service the consumers. It's not a situation like Amazon or a Flipkart or quick commerce that you can get into dark warehouses and start to service the consumer from there. And hence, we need to make the efforts to be able to maintain salience in the dine-in channel. Also, if you look at the large malls, if you look at the prime retail locations, walk-in is still strong. So therefore, just because the consumption trend is moving towards home delivery does not mean that we should not focus on dine-in.

- Moderator:** Our next question comes from the line of Avi Mehta from Macquarie Capital.
- Avi Mehta:** I wanted to just get your updated thoughts on the expectations that you would look to stabilize discounting in second half, any change in that thought? And if yes and if no, how do you see margin performance as we move into the second half across the formats? That's my first question.
- Manish Dawar:** See, as I said, during the previous quarter, we had Shraavana and Navaratri falling in same month, which kind of impacts the non-vegetarian sales and we made extra efforts to support the business with the promotions and all. Obviously, going forward, we will try and optimize that a little bit because obviously one, quarter 3 is a big quarter and then December is an exceptional period. Therefore, let's see how it kind of shapes up moving towards December and then we'll take that call. But the idea is to kind of balance out the online promotions versus what we are offering in the offline channel to have a good balance in terms of the dine-in contribution as well as the margins.
- Avi Mehta:** Got it. Just wanted to check if there's any quantum of the impact from the change in festive season timing and your sense on how the demand environment is behaving so as to get a perspective of how do we look at future quarters?
- Manish Dawar:** Avi, demand environment, in our view, continues to be weak. And therefore, we've seen that whenever, let's say, we do some promotions or increase promotional intensity, it kind of picks up very well. And the moment you kind of withdraw that, it falls back, which kind of signifies that the overall consumption side continues to be weak. The consumers are becoming very value conscious because we've seen the lower value items pick up very fast. So therefore, we are working on innovation in that segment as well. You would have seen the promotions around the whole Epic Savers campaign where we are promoting the value layer. Similarly, the Chana Burger launch is also catering to the same sentiment. So, we are making those efforts trying to balance the margins with transaction growth, and that's how it is kind of panning out.
- Avi Mehta:** So maybe if I could clarify just the question was that we saw minus 4% SSSG in KFC, but obviously, some amount of impact is there from rains, from the timing of the festive period. So, your best guess if we had to adjust for that would be what kind of same-store sales growth for KFC in the last quarter?
- Manish Dawar:** See, if I were to adjust for, Shraavana and Navaratri, and Pooja, which got washed out because of the rains. Now all of these things are very very difficult to pinpoint in terms of what is the exact impact. But let's say, if I were to take out that period, then it's kind of a much better number versus what we've reported.

- Avi Mehta:** So where I'm going with this is the underlying trends are more flattish or still moderating. That's what I was trying to kind of appreciate more.
- Manish Dawar:** Still moderately negative.
- Moderator:** Our next question comes from the line of Dhananjay Bagrodia from Alchemy.
- Dhananjay Bagrodia:** Just wanted to ask you, sir, how we have looked at our market share data across the segment? I know it's a little hard to quantify, but how would you read it?
- Manish Dawar:** See, there is no formal mechanism, Dhananjay, in this sector to report or kind of measure the market data. So, we don't have Nielsen's of the world covering QSR category. And then there are multiple categories within the QSR in terms of chicken, in terms of the pizza and the coffee and the burger and so on and so forth. So therefore, I mean, while we estimate our numbers on the basis of some inputs from the online channel, some inputs on the basis of our own market intelligence from our field teams and all, but I would not like to quote these numbers because they are not based on any public source.
- Dhananjay Bagrodia:** Okay. So sir, I'll tell you why I'm asking this. See, we understand there's a consumer slowdown, but in that, there are obviously in some spaces, we've seen like even alcohol beverages, some companies are doing better than the other one. And this, unfortunately, we only have QSR who have the same segments. So we're just trying to understand, could it be that these pizza and chicken are facing issues, but let's say, healthy options are doing better. Is there anything like that which we could quantify?
- Manish Dawar:** See, there's no measure available. That's what I said, nobody is measuring this market on a formal basis. And there are a lot of these local brands which are also there. So it's kind of hard to estimate as we discuss.
- Dhananjay Bagrodia:** Okay. And maybe this is missed, but how are we seeing signs of demand picking up? And how do we see in terms of us gaining market share from whatever we are doing to gain market share going ahead?
- Manish Dawar:** See in this category, for example, let's say, this is a category where you need to have a physical location to be able to get the consumers either online or on offline basis. So, this is not a distribution model that you can push into distribution and you can generate the demand. And hence, your physical presence of the store or the kitchen to be able to service the consumer also is very important. And hence, the number of stores, the penetration of those stores, the location of those stores also matter a lot. So therefore, you'll not be able to apply the traditional FMCG principles to this one.

Moderator: Our next question comes from the line of Saurabh Kundan from Goldman Sachs.

Saurabh Kundan: Just one question on the Thailand business, it seems to be growing at a decent pace. Any guidance you could give us on store additions there for the rest of the year and generally next year, etc.? And overall, for the international business, the margins that we see in the first half, should those sustain going forward?

Manish Dawar: Saurabh, on Thailand, we have talked about opening ~ 20 - 21 stores during this year, as far as KFC is concerned. So, we stay with the same numbers. There's no change. And as far as the future is concerned, we will be kind of optimizing these numbers a little bit because there is a negative SSSG that we've seen in Thailand also, while we continue to maintain the profitability. But there are these early signs because Thailand, as you know, is sitting at close to almost 1,150 KFC stores for a small country like Thailand, and hence, we are doing the entire market study to understand and we are working with Yum to see what is the potential of the market and to ensure that we continue to maintain the growth through the store openings as well as SSSG.

Saurabh Kundan: Okay. Just one very quick question on the Sky Gate brand. You will break even by the end of this financial year. I wanted to ask on the product side or the process because I recall Biryani By Kilo used to take a lot of time to prepare, etc. Have you made changes to that or you haven't touched that part of the business?

Manish Dawar: So Saurabh, as far as the regular channel is concerned, we've not touched that part at all because it's a very strong brand and therefore, we've not tinkered with anything. However, when we launched the brand in the airports, which is Bombay and Pune Airport, obviously, the consumer is not going to wait at the airport with those kind of kitchen preparation times. And therefore, we've optimized the entire preparation process to be able to give the faster delivery to consumer and we will be applying the same process as far as our food courts is also concerned. But in the regular channels, we are not touching the product at all, as of now. And even, for example, all the tests that we've done, all the blind studies that we've done for the airport and food court perspective, obviously, the mode of packaging and mode of delivery to the consumer is different. But otherwise, in terms of ingredients, it's the same. Process is different, and therefore, we kind of are able to achieve faster delivery times without compromising on the product quality or the taste or the flavours.

Moderator: Our next question comes from the line of Ashish Kanodia from Citi.

- Ashish Kanodia:** The first question is just on the demand side, like, I understand Q2 had multiple moving pieces, but if you look at October and just first few days of November, at least on ground, are you seeing any improvement in the demand trend? Or is it still muted in the last, say, 35, 40 days?
- Manish Dawar:** Ashish, obviously, because, as you know, I mean, quarter 3 is a big quarter typically, and that comes and that plays out in the month of December. So, October is no different. But we've seen some difference post Dussehra. Let's see whether it sustains the momentum or not. But overall, let's say, if you were to ask me what is the one-word conclusion, it remains muted.
- Ashish Kanodia:** Sure. The second part was on the Thailand business. I think while the SSSG is negative, we are seeing margin improvement there. So, from a free cash flow point of view, how should we think about the Thailand business? Because I think from next year, maybe you will start optimizing the store expansion as well. So, the capex intensity also goes down. So, when do you see Thailand generating free cash flow?
- Manish Dawar:** See, on an operational basis, obviously, it will be there, but we do have some debt sitting in the balance sheet. And therefore, we need to repay that debt, which is sitting in the Thailand balance sheet. At the same time, we've also tested Tealive in Thailand, and we've opened about three stores. As I said, we are doing the test launch. Let's see how the results are. And therefore, if the results are good and we expand the Tealive network there, then that will kind of consume some bit of cash.
- Ashish Kanodia:** Sure, Manish. And last one is, like when you look at in India across the franchisee brands and your own brands, like broadly, what kind of a store expansion you are looking in current financial year and maybe next financial year? And broadly, if you can also help us with what kind of a capex we should assume just for the franchisee and your own brands? Because the challenge is some of them will be airport stores, some of them could be delivery stores. So if you can give us some sense on that?
- Manish Dawar:** Overall, between franchise brands and owned brands put together, we are looking at about adding 100-odd stores, which includes, let's say, as I said, there could be some on a test phase basis, Biryani By Kilo, we'll be expanding into the retail channel. Vaango, we continue to expand. And the capex on those 100 stores will be small. It will be at best, whatever, INR 50-odd crore, not more than that.
- Ashish Kanodia:** So, Manish, on the 100 stores, is it the current financial year when you plan to add net new additions?

Manish Dawar: Yes, 100 net, correct.

Moderator: Thank you. Ladies and gentlemen, we will take that as the last question for today. I now hand the conference over to the management for closing comments.

Raj Gandhi: Thank you very much. We hope we have been able to answer all your questions satisfactorily. Should you need any further clarifications or would like to know more about the Company, please feel free to contact our Investor Relations team. Thank you once again for your interest and support and for taking the time out to join us on this call. Thank you.

Disclaimer: This is a transcription and may contain transcription errors. The transcript has been edited for clarity. The Company takes no responsibility for such errors, although an effort has been made to ensure a high level of accuracy.