



# Devyani International Limited



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February 11, 2026

To,

<b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Block G, C/1, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Email: <a href="mailto:cmlist@nse.co.in">cmlist@nse.co.in</a> <b>Symbol: DEVYANI</b>	<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Email: <a href="mailto:corp.relations@bseindia.com">corp.relations@bseindia.com</a> <b>Security Code: 543330</b>
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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 February 4, 2026, post declaration of Unaudited Financial Results of the Company for the Quarter and Nine months ended December 31, 2025, is enclosed.

The same is also being uploaded on website of the Company at [www.dil-rjcorp.com](http://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*



tealive



GOILA  
BUTTER CHICKEN



the food street



**Devyani International Limited**  
**Q3 & 9M FY26 Earnings Conference Call**  
**February 04, 2026**

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**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 for you 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 Q3 and 9M 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. It is my pleasure to welcome you all to Devyani International's post-results earnings conference call to discuss our performance for the third quarter 2025-26.

We continue to invest in and steadily expand our core business. In India, new store openings accelerated during the quarter with 54 net new KFC outlets and

18 net additions to Pizza Hut. With this, we have not added any net new Pizza Hut stores on a cumulative basis during the calendar year 2025. Within our brands portfolio, we have also added 17 new stores to Biryani by Kilo and Vaango. The international business added 20 new stores during the quarter between Thailand and Nepal. At the end of Q3' 2026, the total store count for DIL stood at 2,279 stores.

We are happy to state that we have achieved break-even brand EBITDA results for Biryani by Kilo much ahead of our target as guided earlier.

In parallel, we are also bringing innovative new products to our customers. We recently introduced the 'Dunked Range' in KFC - fried chicken coated in a bold and fiery barbecue sauce. The product launch has been accompanied by a promotional campaign focusing on the indulgence and craving, featuring a well-known comedian and actor, which has been well received.

We also have launched the 'Crafted Flatzz' range of pizzas featuring a hand-stretched crust option with seven new flavourful toppings to choose from. It is a great example of a global product launch that is being customized for regional preferences. We have seen encouraging initial response from our patrons.

Our business continues to grow in a sustained manner. India operations grew 12.1% year-on-year, while consolidated revenues reached INR1,441 crore, growing 11.3% year-on-year. Our international business continues to gather strength from operations and profitability perspective and the same is reflected in the steady improvement in the results.

Earlier this year, we announced the proposed merger with Sapphire Foods, a transformative step that will create one of the largest diversified F&B platforms in India. The combined entity will have more than 3,000 stores globally and a turnover approaching USD 1 billion. We are very excited regarding this new chapter in your company's growth phase.

We have also started the process of turnaround of the Pizza Hut business by shutting down loss-making stores. Our idea is to bring a sharper focus to this exercise, and with this as an objective, we are not planning to add any net new units to our Pizza Hut portfolio. We will open the new stores only to compensate for the closure of loss-making stores. This will also help us to utilize the existing assets and equipment in our new stores and bring down the capex for the new openings as well.

We have seen positive SSSG across all our brands in the month of January except Pizza Hut where the losses are being contained. We are expecting that if this momentum continues through the quarter, this will lay a strong foundation for future growth.

On the macro front, we are beginning to see some early signs of consumption coming back in a few sectors in the broader economy, thanks to the government support and fiscal measures. We have used the last few quarters to build a leaner and more resilient organization. With the proposed merger underway, we are confident that we will emerge as a stronger and more agile business well-placed to accelerate growth by capitalizing on opportunities that are available.

DIL is at a critical inflection point in this growth journey as we prepare to scale into a larger, more diversified, and more complex organization. The board believes that this next phase requires a bold strategic vision backed by strong execution capabilities. Given the background, I would like to briefly touch upon the important leadership decisions taken at the board meeting today.

Virag has expressed his desire to superannuate from the Company. The board has accepted his request effective March 31, 2026, and has requested him to continue as a Non-Executive Director and provide his valuable insights on strategic matters as and when required. I would also like to acknowledge Virag's invaluable contribution to DIL's journey over the last more than two decades. We thank him for his leadership and wish him all the best with all his future endeavours.

Manish Dawar shall get elevated as President and CEO for DIL with effect from April 1, 2026. Manish joined us almost five years back as CFO for the company and has played a very significant and pivotal role in shaping the company's growth trajectory, including the successful public listing. He has also led key strategic initiatives, including the acquisition of Thailand business, the acquisition and turnaround of Sky Gate Hospitality brands – Biryani by Kilo and Goila Butter Chicken, and more recently the proposed merger with Sapphire Foods. He has over three decades of leadership experience across very reputed and well-known global and Indian enterprises, with leadership roles at Vodafone India, Vedanta, Reckitt Benckiser and Reebok, having started his career at Hindustan Unilever. He has wide experience across multiple industry domains and various geographies in the world.

The board and I feel that he is well-placed to take over the role of the expanded DIL as President and CEO. I would also like to wish him and his team the very

best to take DIL to even greater heights as we make progress with the merger.

I am also pleased to inform you that Mr. Anupam Kumar, currently EVP Finance, will take over the role of CFO. Anupam has over two decades of experience before joining RJ Corp with Vedanta, Walker Chandiook & Co LLP. This will add depth and continuity to the company's financial leadership and will make DIL ready for the post-merger scenario.

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 Q3 FY26 earnings conference call, our 18th such call since our listing in August 21.

At the outset, I would like to thank the Chairman and the Board for reposing the trust and confidence in me to lead DIL at such an exciting and transformative juncture. With DIL's deep operational capabilities, strong brands, expanding scale, and growing digital and technology backbone, we are uniquely positioned to build a future-ready QSR platform that delivers sustained and long-term value for our stakeholders. We will be announcing the broader leadership team for DIL in due course as we progress with the merger.

Coming back to the results. As of December 31, 2025, our total network stood at 2,279 stores comprising of 1,174 KFC stores and 648 Pizza Hut stores. We also launched our first Sanook Kitchen outlet in Gurgaon. Sanook Kitchen brand is for Thai and Asian food lovers.

The consolidated operating revenue for Q3 FY26 was INR 1,441 crore, up 11.3% Y-on-Y. Consolidated Q3 FY26 gross profit came in at INR 993 crore, up 11.7% Y-on-Y with margins at 68.9%, reflecting an improvement of 20 basis points Y-on-Y (excluding Sky Gate, the improvement is 70 basis points Y-on-Y) and 110 basis points versus Q2 FY26.

Consolidated brand contribution was higher at INR 200 crore versus INR 185 crore last year, led by our India and international operations. The brand contribution margin improved to 13.9% versus 11.7% in the previous quarter. I am happy to report that Sky Gate brands posted a breakeven brand EBITDA. This is ahead of our initial expectation and guidance given earlier.

Consolidated operating EBITDA on a pre-Ind AS basis was INR 124 crore with margins at 8.6% versus 6.8% in the previous quarter. Reported EBITDA was INR 227 crore with margins at 15.7%.

Indian operations grew 12.1% Y-on-Y to reach INR 978 crore in revenues. Gross margin came in at 71%, flattish on a Y-on-Y basis. Excluding Sky Gate, the GM improvement stands at 60 basis points versus the previous year.

KFC in India added 54 net new stores in Q3 FY26 taking the total store count for KFC in India to 788 stores as of 31st December 2025. Average daily sales for Q3 FY26 was stable sequentially at INR 90,000. Revenues at INR 603 crore were up 5.9% Y-on-Y. Gross margin at 69.8% showed 1.2% improvement compared to the same quarter last year. The improvement in gross margin was offset on account of deleverage impact because of lower ADS and higher delivery revenues. Brand contribution margin was INR 101 crore with margins at 16.8%, 40 basis points lower versus the previous year.

We opened 18 net new Pizza Hut stores in Q3 FY26 ending with 639 stores in India. Pizza Hut India revenue for the quarter was INR 178 crore with ADS at INR 31,000. Gross margin was at 76%, an improvement of 1.2% from the preceding quarter. Despite deleverage on lower sales, we managed to effectively control costs and delivered positive brand contribution of INR 1.4 crore and margins at 0.8% for the quarter, improvement of 1% from the previous quarter. We have also started to shut the loss-making stores.

We have taken steps to turnaround the Pizza Hut business. We will start to shut down the loss-making stores in the Pizza Hut portfolio, and our plan is not to add any net new units in the brand for 2026. However, we will ensure that the overall store count remains broadly in line with December 2025 numbers.

Franchise brands which include Costa Coffee and the newer brands in India posted revenues of INR 56 crore with Y-on-Y stable gross margins at 75.7% and brand contribution of INR 8.8 crore with margins at 15.7%, an improvement of 5.2% versus the preceding quarter.

Our own brands portfolio which includes Vaango, Biryani by Kilo, and Goila Butter Chicken recorded a healthy growth with INR 94 crore in revenues and gross margins at 64.2%. Brand contribution margin came in at 9% reflecting the turnaround in the profitability of Sky Gate portfolio. We achieved break-even brand EBITDA for Sky Gate in the month of December 2025. The Sky Gate portfolio continues to perform in line with our expectations with the growth momentum carrying through Q3. With margins improving and the integration nearly complete, we have started to scale up the brand in a measured manner. This quarter, we added 13 net new stores under the Sky Gate portfolio in DIL's existing food court locations.

Happy to report that Vaango has crossed a count of 100 stores in this quarter. The revenues for the quarter came in at INR 20 crore and the brand continues to maintain its healthy gross margins and the brand contribution.

Our international business continues to demonstrate resilience and strong performance. Revenues reached INR 473 crore in Q3 FY26, up 10.1% Y-on-Y with improved gross margins at 64.9%. Brand contribution of INR 81 crore, representing 17.1% margins is higher on Y-on-Y basis.

Let me also take this opportunity to briefly update you on the merger process. We have already submitted our applications for exchange approvals and will also be shortly filing the application for CCI approval. At this point, we do not anticipate any material deviation in the merger timeline that we have outlined earlier. While we continue to execute towards building a geographically diverse multi-dimensional F&B platform, Yum! Brands, i.e., KFC and Pizza Hut, and India business will continue to anchor our business.

The proposed merger will further help us build a strong growth foundation in India and the estimated annual merger synergies of approximately INR 210 crore to INR 225 crore will allow us a greater headroom to invest in India and grow the business.

In our view, QSR remains one of the most promising segments in the consumption category and we believe we have the brands and the management capability to build a market-leading business.

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 very much. We will now begin the question-and-answer session. Our first question comes from the line of Devanshu Bansal from Emkay Global.

**Devanshu Bansal:** Congratulations on a good operational performance. At the onset, Virag, kudos to your long career at Devyani and execution discipline with healthy operational savings that the company has seen despite a prolonged macro weakness. And Manish, congratulations and all the best for your new role as CEO of the merged entity. Just Manish, starting off, still there is some time for the CEO hat, but you have been in the system for quite some time. Checking if you would like to share some initial thoughts on your key focus areas for ramping up the next phase of the growth journey for Devyani?

**Manish Dawar:** So I think, Devanshu, obviously it is too early to kind of comment on this piece. And as you said, I have been in the system long enough and therefore we all

know and this is not hidden, our biggest priority will be to turnaround the SSSG and ADS numbers. And this can only happen with multiple measures and an enabling environment so that we are able to take these actions forward. So we will come back to you in due course of time in terms of what the new leadership team will be, what will be our strategy, and so on and so forth. But otherwise, the operational priority remains very, very important. We have to be ready with the leadership team before we get into a merger consummation scenario. We need to have a strong technology focus because we all recognize that Devyani is lagging behind on technology versus some of the other peer group. So these are the top priorities that I would say, but we will come back to you as and when things evolve.

**Devanshu Bansal:** Fair enough, Manish. Looking forward to the updated strategy. The second question, the commentary mentions that most formats have seen positive SSSG in January 2026. I wanted to understand the key initiatives which have led to this improvement just to better gauge the sustainability of this SSSG turnaround?

**Manish Dawar:** We experimented, Devanshu with some ideas on the promotions, on the deals. We have changed a little bit of our strategy in terms of how we deal with the online business and offline business. So that has really kind of helped us with the January SSSG numbers. As Mr. Jaipuria said that Pizza Hut continues to need some work, but again this is just one month in a quarter. We have just started doing experiments, we are seeing the results. As I said, in terms of what the sustainable strategy will be, we will come back to you in due course of time.

**Devanshu Bansal:** Sure. Just a small follow-up here. So how do we see your improved gross margin profile whether we have invested back some of the savings at the gross level to revive this SSSG or the January 2026 trends are mostly with the 70% SSSG that we have reported in KFC?

**Manish Dawar:** Devanshu, broadly we will be able to maintain the gross margins profile. I mean, it could be vary by some basis points, but largely the gross margin profile will be maintained.

**Moderator:** Our next question comes from the line of Jaykumar Doshi from Kotak.

**Jaykumar Doshi:** I have got two questions. First one is on this EBITDA growth or absolute EBITDA pre-IndAS of INR 124 crore. Do you think that even in a weak environment, similar EBITDA margin or absolute EBITDA adjusted for seasonality, you should be comfortable maintaining and should we expect improvement over the course of coming quarters from this level?



**Manish Dawar:**

Jay, as I have said in the past, it was the negative SSSG which was kind of pulling us down. And as you know, in the previous quarter we started consolidating Biryani by Kilo, and Biryani by Kilo was a loss-making portfolio and that is where the previous quarter numbers got impacted. So we have managed to turnaround Biryani by Kilo to a break-even level and therefore that has helped us. Our Nepal, Nigeria operations have done well. Thailand is stable. If you look at the SSSG in the KFC business in India, they are better than what we have seen in the past and therefore we are hopeful that we should be able to maintain the EBITDA numbers.

**Jaykumar Doshi:**

Sure. Second question is on KFC. For a brand with such strong brand equity, 10-odd quarters of SSSG decline, can you give us some indication of what could be the impact of cannibalization on SSSG of KFC? And is there any thought internally to perhaps slow down store addition for KFC for a year or so and try and improve SSSG and profitability of that business?

**Manish Dawar:**

Jay, if you look at our store opening pace and I am talking here about KFC as a brand and not only DIL. If you look at the last five years, we have gone to almost three to four times of what the base store count used to be. And obviously, if you are opening stores at that pace, there will be some amount of cannibalization which will seep in. I think what is required to be done on KFC is a very differentiated strategy from an online and offline perspective, a very differentiated strategy from how we treat the brand innovation, again from an online and offline perspective. And we have started discussing that internally, we have started taking some steps and that is what Mr. Jaipuria alluded that we have seen positive SSSG in January month of 2026. So the idea is that we need to have the right steps and a strategic direction in terms of how the food sector has evolved after the entry of online players like Zomato and Swiggy and that is what the focus area is going to be. Because if you look at, for example, the nearest competitor in QSR is sitting at more than twice the store count that we have in KFC. And therefore those results are fine and that is the inspiration for us to ensure that we continue to grow KFC. However, we have to sort things out in terms of the strategy piece and we will come back to you on those details.

**Jaykumar Doshi:**

Understood. Final question is, you had a certain incentives linked to store openings per year. Now in the new agreement that you may have signed with Yum!, do you still have a similar level of commitment in terms of store additions for KFC or has it been relaxed in context of the weakness that Indian market is seeing?

**Manish Dawar:**

See, Jay, right now, for example, let us say during the merger discussions, it was more of what are the merger conditions and how will the merger take place and Yum!'s approval and so on and so forth. Both the companies had independently signed the development agreements. They will continue and obviously we will inherit whatever was signed by Sapphire. Having said that, obviously we will present the complete KFC strategy to the parent organization, which is Yum! Brands and we will have that discussion in terms of what is right for the brand because for Yum! also India remains a top priority as far as growth is concerned. And Pizza Hut as you know, we have already mentioned that we have scaled back and even for 2025 there were zero NNUs, 2026 again there are going to be zero NNUs. So therefore Pizza Hut, we have recognized that and the focus is turnaround, whereas KFC is seen as a growth brand, but nonetheless we take your point and that is something which is kind of a pending discussion from our side with Yum!.

**Jaykumar Doshi:**

Thank you so much and Manish, wish you the very best for your new role.

**Manish Dawar:**

Thank you so much, Jay.

**Moderator:**

Our next question comes from the line of Tejash Shah from Avendus Spark Institutional Equities.

**Tejash Shah:**

Manish, congrats on the promotion and best wishes for the new role. Manish, so Devanshu tried asking this, but I am also pushing my luck here. So you have had a front-seat row to the prolonged struggle that we have seen in last many quarters and then you have multiple unfinished projects on the table today. So what would you prioritize - fixing or ramping up KFC first or fixing Pizza Hut as a model first? And then you have a lot of long tail of other projects as well. So just wanted to understand without too much detail there?

**Manish Dawar:**

So Tejash, I think I have discussed this whole scenario multiple times with you guys. See, traditionally we were operating like a multi-environment business. So there was Yum!, there was Sapphire and there was us. So any decision-making used to happen as a three-way approach by way of consensus, whereas competition had that advantage of being very nimble-footed, faster decision-making, investing in technology. In our case, it was a fractured environment from a multiple perspective. And I think the biggest strategic move that we have taken is to consolidate the two companies and as we have discussed in the previous call that we will take over technology operations from Yum!, we will take over supply chain management from Yum!. Now all of these things will come back and help us. And therefore, once we overlay that with the operations piece, I think it is a great win-win combination for us. And that

is the reason it was very important that we kind of sort out the larger structural issue, which is where we were hugely hampered and impacted by, and that is what something that we have managed to do, not yet in practice because we are undergoing the regulatory approvals which will take some time. And this is the time we will utilize for strategy building and in terms of what is it that we need to do on brass tacks while let us say the merger process is currently on in terms of approvals.

**Tejash Shah:** Perfect. And second, on this January commentary that we have put out, apart from the SSSG, what are the other operational indicators which are actually helping us to or guiding us to say that this could be a sustainable and not a false start that we have seen multiple times in last 2, 3 years?

**Manish Dawar:** See, as I mentioned earlier, I am just saying factually that January has been positive, let us see, it is just 1 month. I do not want you guys to draw any conclusions basis that. We need to look at how the whole quarter goes. We need to experiment with the initiatives we have taken in other geographies. So it is early. I agree with you, but we just wanted to indicate the factual situation.

**Tejash Shah:** Thanks and all the best for the coming quarters.

**Manish Dawar:** Sure. Thank you so much.

**Moderator:** Our next question comes from the line of Saaksha Mantoo from Old Bridge Capital.

**Saaksha Mantoo:** Just one on Pizza Hut. So you indicated that we have started to sort of shut down the loss-making stores and that is being compensated by the new addition. Just wanted to get a sense on, you know, basis your initial read-through, how far do we have to go in terms of shutting these stores down? Like how many stores, if you can just give us an indication on how many such stores are there? And what would be your initial read-through on what is not working for us in these stores? Was it cannibalization or competition or something else? That is the only question I have.

**Manish Dawar:** See, we will have to handle Pizza Hut from multiple fronts. So one important element is shutting the loss-making stores. The other important element is having technology for the brand, which is where we have been missing. We need to make sure that the marketing is much more effective. We need to make sure that the innovation pipeline is stronger. And as I said that I mean all of these initiatives will transition from Yum! to us. Now that is going to take about a year. In the meantime, we have started taking this initiative on cleaning up

the loss-making stores. It will take a couple of years to finally sort it out, but we have absolutely started this exercise. And now until we have the CCI approval, obviously between us and Sapphire we are not in a position to talk to each other at this stage. But once we have the CCI approval, we will sit jointly and draw out a merged company strategy plan for Pizza Hut because that is where we need to kind of work together very intensively by the time the entire process gets finished. So we will come back to you on that piece once we have more details.

**Moderator:** Our next question comes from the line of Percy Panthaki from IIFL Capital

**Percy Panthaki:** Just one very basic question I wanted to ask you, and this is ignoring any merger synergies that you might get a year or two later. But, like, for FY27, what is the minimum SSSG that you need to deliver so that you can have a pre-Ind AS EBITDA margin expansion on a Y-on-Y basis?

**Manish Dawar:** See, we will not be able to give you the guidance on FY27, Percy. But if you look at, let us say, the way we performed, and let me just give you the recent quarter example by just kind of stating the factual numbers. So if you look at KFC business, the ADS in the current quarter was INR 90,000, previous quarter was INR 89,000, virtually flat. If you look at the SSSG, it was negative and despite all of that, if you look at the brand contribution, we have managed to improve the brand contribution by more than 200 basis points, and this is what I have mentioned.

**Percy Panthaki:** What has really gone into that? How has that 200 basis points been driven?

**Manish Dawar:** See, this is what I said. I mean, we have experimented with multiple things in terms of online, offline, how to kind of segregate the deals, how to do the mix. And so, therefore, those experiments are in progress, but we are seeing the results. So the point is that, and which is what I have mentioned in the past, that we do have levers to optimize the EBITDA. I am not saying that SSSG is not important. It is a very, very important KPI and we are absolutely not running away from that. But we do have other levers which is what I have mentioned in the past. So for example, if you remember in our meeting, I had said that the brand contribution margins that KFC used to deliver at INR 125,000 ADS, in the current scenario we are very confident that we will be able to deliver those kind of brand contribution margins at about INR 105,000 to INR 110,000 kind of ADS numbers. So therefore, I mean we have made progress on various initiatives, and it is getting reflected in the numbers.

**Percy Panthaki:**

Understood. But is there any more juice in the lemon here? What I am trying to figure out is whatever cost-saving initiatives you have done till now, that is already there in your margins for this quarter. Now if I have to look ahead and I am not asking for a guidance on FY27, I am just looking for an algorithm as to how to model your business? Let us say, if there is a zero SSSG, is there any way you can still improve margins beyond what you have already done or now the margin improvement is going to be more a function of the operating leverage which would typically in these cases come only when the SSSG goes beyond a 3% to 4% kind of a level?

**Manish Dawar:**

Percy, I mean of course there is still juice there in the lemon. Because, as I have said, the businesses are ever evolving. We learn from what is happening in the environment, we learn from what is happening in the competition, we learn from what we have done in the past. So therefore, it is an evolving situation. I would not call ever that there is nothing more that we can do. That is how we look at the business and that is how the group has always been. So therefore, I mean we always look at the initiatives and now with merger happening, obviously we will have the synergies also coming in. We will have the technology piece kind of coming in our hands, which will give us the leverage in terms of pricing, how to structure the pricing, in terms of speed of moving with the innovation and various other initiatives. So I would say there are initiatives available, but at the same time remember that it is a very complex business. It is a very decentralized retail environment and that is where we continuously seek as to what the opportunities are sitting in which part of the business and we continue to optimize.

**Moderator:**

Our next question comes from the line of Avi Mehta from Macquarie.

**Avi Mehta:**

Manish, Congratulations on the elevation. I wanted to just check with you on two things. One, I wanted to understand if this positive same-store sales growth that we saw in January 2026, is this something that was specifically seen only in our formats or if you could comment whether you have seen it across other peers, and whether you have seen any change in the discounting intensity in the space, in the last few months? And the second question that I had was a bookkeeping one. My understanding is there has been an increase in India overheads. If you could confirm if that understanding is correct and what led to it? Those are the two things.

**Manish Dawar:**

So Avi, to answer your first question first, obviously I will not be able to comment on the peer group because we do not have the visibility on the peer group, but January 2026 numbers that we have seen, we are only talking about our scenario. Second, coming to the India overheads, as I have said in the

past, please take 5% as normally the corporate G&A in terms of the broad guidance as far as our company is concerned. But this particular quarter, as you know, there has been an implementation of the labour code and that kind of impacts the overall numbers. And there are some numbers which have got impacted above EBITDA, there are some below in terms of what the accounting standards are, but otherwise the G&A remains more or less as guided earlier and there is no significant deviation or variation on that.

**Avi Mehta:** So sorry, Manish, just to confirm this number, what is the amount that I should kind of remove to get a more stable state run rate in the India overheads?

**Manish Dawar:** So that is what I said. For let us say for 2026-27, you can take a 5% G&A.

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

**Gaurav Jogani:** First of all, I would like to congratulate Manish on his elevation for the post of CEO. My question to Manish is regarding the international piece of the business where the growth has been, I would say, a bit muted despite Nigeria and Nepal doing better. So is there some impact of the growth in the Thailand piece of the business because Q3 typically is a good season business for them?

**Manish Dawar:** So Thailand, if you remember, Gaurav, the April-May-June quarter is one of the best quarters. Nepal, Nigeria, while we have seen great growth, but as a constituent of the overall business, it is small. And we have seen some negative SSSG in our Thailand business as well. And Thailand again in January 2026 has done better versus what we saw in the previous quarter. But if you look at let us say from a gross margin perspective on the international side, the margins have improved by 90 basis points. If you look at the brand contribution, the brand the overall business has improved by 40 basis points versus previous quarter and almost 50 basis points versus the year ago. So I think we are on the right track as far as the international business is also concerned.

**Gaurav Jogani:** And Manish, just on the corporate overheads bit. You know, the corporate overheads for the international business also seem to have increased. So is there some currency-related impact that is there because of which it seems a bit higher?

**Manish Dawar:** I can check specifically on the currency-related piece, Gaurav, but otherwise underlying, we know that the corporate overheads for international have remained in line.

**Gaurav Jogani:** Q-o-Q, it is in line, I would say that. But Y-on-Y, it seems bit higher?

**Manish Dawar:** Sure. Let me let me just check that out and come back to you.

**Moderator:** Our next question comes from the line of Amit Sachdeva from UBS.

**Amit Sachdeva:** Congratulations Manish on your new role. My just one question on the January 2026 improvement that we have seen and obviously you alluded to the several initiatives, or at least the experiments you have done, maybe I assume that pricing and how you kind of create the marketing mix for that. Could you give us a little bit of detail that what three, four things are you really excited about that are working very well? Is it a pivot to value or the larger pack or what sort of online and offline strategies are actually working which you have to repeat, if you could give us some more detail about that, I will really appreciate? And what you think that are going to sustain and help you in the rest of the quarter as well?

**Manish Dawar:** Amit, as you know, all of these are business-confidential details and we will not be able to share that in the public forum. So but obviously, as I said, there is enough and more opportunity available both in the online and offline piece that we can continue to optimize our offerings, we can continue to how we focus and play with the deals, with the discount mixes, and so on and so forth. So I mean obviously we will not be able to lay out the marketing promotion and how we kind of approached it.

**Amit Sachdeva:** Sure. But I just wanted to understand that it is largely driven by how you promote or is it like some SKUs are working better, which I am not really asking for any comparative sensitivity, just as a structural theme that which is working very well and which you feel is, you know?

**Manish Dawar:** I have got your point, so we have experimented with some deals and the offerings in certain markets which have given us good results. And we are wanting to kind of experiment that on a little bit better scale in other geographies as well, and we have experimented in another geography that has given the results again. So therefore, I mean that is the broad piece. It is how you approach the mix between the online-offline, where you focus, where you put your money more. So that is the kind of approach that we have taken.

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

**Ashish Kanodia:** Manish, just on the demand part, while I understand you have taken some of the strategic initiatives, but if I also look at 3Q numbers, there is an improvement in KFC, there is an improvement in Costa Coffee as well

sequentially. And if I just look at how the food aggregators have reported, there was some uptick in growth in 3Q as well. So apart from the strategic initiative where you are seeing positive SSSG coming through, if you look at 3Q, October, November, December, have you also seen some bit of a tailwind coming through the quarter? Like sequentially has December been slightly better than November, adjusting for the seasonality?

**Manish Dawar:** So Ashish, as Mr. Jaipuria mentioned in his address, he did mention that we are seeing some green shoots in the overall consumption environment. And obviously, when let us say that is happening and plus we are kind of double-dipping basis whatever we are doing, things start to happen. So we have already talked about that, and kind of matches with the commentary that you are also hearing because we are seeing it is too early. We would not like you guys to kind of make some definitive conclusions basis that, but there are some green shoots which are kind of appearing.

**Ashish Kanodia:** Sure, Manish, that is helpful. And just on the store expansion side, if I hear you correctly, in Pizza Hut you will not add any stores on a net basis in FY26. But on FY27, just looking at Devyani part of the business, how should we think about store expansion for both KFC and Pizza Hut?

**Manish Dawar:** So Ashish, when I talked about 2026, I actually meant the calendar year 2026, which is large part of the financial year 2026-27. So therefore until about December 2026, we will have a neutralized NNU structure. From January to March of 2027 is something that we are discussing and we will come back to you guys. But again, the store additions will be minimal, it will not be as in the past, will be a very, very small amount if required.

**Ashish Kanodia:** Sure. And then for KFC?

**Manish Dawar:** KFC, as I said, our DA continues. We have inherited the Sapphire DA also. So if you remember, we have said in the past that as far as DIL is concerned, we plan to add about 110 to 120 stores every year for KFC. That stays.

**Ashish Kanodia:** Sure, Manish. Thank you and congratulations on the new role.

**Manish Dawar:** Thanks, Ashish.

**Moderator:** Thank you. Ladies and gentlemen, we will take that as our last question. I would now like to hand the conference over to the management for closing comments. Over to you, sir.



**Raj Gandhi:**

Thank you very much. We hope we have been able to answer all your questions satisfactorily. Should you need any further clarification 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 very much.

**Manish Dawar:**

Thank you very much.

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