

Sequential recovery, slow but steady

QSR's are showing an overall demand improvement QoQ; however, the improvement is more significant in urban catchment (Metro & Tier-1) vs Tier-2 & Tier-3 cities. Jubilant foodworks is witnessing a significant demand uptick continuing the momentum of Q3 & Q4 driven by 1) Consumer finding dominos to be giving more value for money vs other standalone stores 2) lower competitive intensity as standalone stores see price increase (due to increasing rentals) with minimal change in quality and experience & 3) Continuous menu innovation and elevated store level experience.

Westlife Foodworld is showing gradual improvement in demand QoQ; however, the rate of recovery remains slower than expected as competitive intensity remains high from standalone stores, especially in metro and Tier-1 cities. Select high density catchments continue to see healthy footfalls with significant upticks in AOV (~Rs275). The stores which were shifted to new places with higher footfall locations continue to see healthy traction. Summer portfolio is doing good as McSaver value meals bundled with desserts saw strong demand with McAloo Tikki & McVeggie burger combo (with fries or cold drink) in Veg; and McChicken & Chicken supreme burger in non-veg.

Burger King too saw an improvement in demand driven by healthy footfalls over the summer holidays, Overall AOV for high catchment area is ~Rs350 (both for dine in and delivery). We believe the QSR's are witnessing gradual recovery with competitive intensity remaining intact for burger players as innovation lags while for dominos it has reduced significantly.

Channel Check – Jubilant Foodworks (Domino's)

Overall demand is improving in current quarter led by healthy demand from delivery side while dine-in demand is recovering slowly. As per our channel check the quantum of recovery remained as per store expectations

- **MoM improvement** - We are seeing Steady Growth in Customer Metrics with Jubilant foodworks witnessing MoM growth in both average order value (AOV) and customer footfalls, led by continued strength in delivery channel as consumers are coming back driven by finding better value compared to other high prized standalone pizza stores.
- **Urban catchments doing better** - Urban catchments (Metro & Tier-1) are seeing decent improvement in demand while tier-2 & tier-3 are lagging with improving demand at slower rate.
- **Footfalls improve, competitive intensity lower** - Footfalls are steadily improving, and stores are seeing lesser Competitive intensity. Notably, we observed that competitive intensity particularly from newer QSR entrants has stabilized and is no longer putting major pressure on Domino's driven by menu innovation and consumers finding better value into dominos compared to other standalone Pizza stores

June 20, 2025

Jubilant FoodWorks (JUBI IN)

Rating: HOLD | CMP: Rs683 | TP: Rs689

Key Financials - Standalone

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	53,409	61,047	73,697	85,986
EBITDA (Rs. m)	10,941	11,806	15,029	17,777
Margin (%)	20.5	19.3	20.4	20.7
PAT (Rs. m)	2,459	2,147	3,637	4,841
EPS (Rs.)	3.7	3.3	5.5	7.3
Gr. (%)	(39.0)	(12.7)	69.4	33.1
DPS (Rs.)	1.2	1.3	2.5	5.0
Yield (%)	0.2	0.2	0.4	0.7
RoE (%)	11.3	9.6	15.1	18.1
RoCE (%)	23.1	20.6	27.9	31.6
EV/Sales (x)	8.4	7.4	6.1	5.2
EV/EBITDA (x)	41.2	38.3	29.7	24.9
PE (x)	183.3	210.0	124.0	93.1
P/BV (x)	20.4	19.9	17.7	16.1

Restaurant Brands Asia (RBA IN)

Rating: ACCUMULATE | CMP: Rs79 | TP: Rs89

Key Financials - Standalone

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	17,601	19,680	23,454	28,244
EBITDA (Rs. m)	2,377	2,846	3,654	4,708
Margin (%)	13.5	14.5	15.6	16.7
PAT (Rs. m)	(689)	(873)	(288)	(106)
EPS (Rs.)	(1.2)	(1.5)	(0.5)	(0.2)
Gr. (%)	(18.4)	26.6	(67.0)	(63.3)
DPS (Rs.)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	(3.7)	(4.2)	(1.3)	(0.5)
RoCE (%)	1.4	1.4	3.4	6.0
EV/Sales (x)	2.5	2.1	1.8	1.5
EV/EBITDA (x)	18.8	14.6	11.6	9.2
PE (x)	(66.4)	(52.4)	(158.9)	(432.3)
P/BV (x)	2.5	2.0	2.0	2.1

Westlife Foodworld (WESTLIFE IN)

Rating: HOLD | CMP: Rs696 | TP: Rs738

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	23,909	24,912	29,494	34,360
EBITDA (Rs. m)	3,698	3,200	4,394	5,231
Margin (%)	15.5	12.8	14.9	15.2
PAT (Rs. m)	697	94	575	883
EPS (Rs.)	4.5	0.6	3.7	5.7
Gr. (%)	(37.2)	(86.5)	512.8	53.7
DPS (Rs.)	3.4	0.2	1.5	2.5
Yield (%)	0.5	0.0	0.2	0.4
RoE (%)	12.1	1.6	9.3	13.5
RoCE (%)	23.4	13.0	22.2	27.3
EV/Sales (x)	4.6	4.4	3.7	3.2
EV/EBITDA (x)	29.6	34.2	25.0	20.8
PE (x)	155.7	1,157.7	188.9	122.9
P/BV (x)	18.5	18.0	17.3	16.0

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- **"6-in-1 Big Pizza" showing traction** - The newly introduced "6-in-1 Big Pizza" is showing strong traction among customers, especially for group orders. However, there have been some complaints around product quality in delivery suggesting an area for operational enhancement in maintaining consistency. Also, Jubilant foodworks is expected to roll out further menu innovation, particularly tapping into regional tastes. This aligns with their ongoing strategy of hyper-localization to drive engagement and frequency.
- **IPL demand better YoY** - This year IPL demand was better YoY and stores saw improving IN number of orders compared to last year IPL period.
- Consumers find Domino's in-house delivery infrastructure as fast and reliable, especially versus players relying entirely on aggregators like Swiggy and Zomato.

Westlife (McDonald's India – West & South)

- **Gradual demand recovery** - Westlife is seeing Gradual Recovery in Dine-In Footfalls with Dine-in footfall increasing sequentially, albeit at a slower pace. Recovery is more visible in urban outlets, driven by value-led offerings
- Average daily footfall in high catchment area with ~2500-3000sqft store 300-350 orders & AOV for the same averaged at Rs200-300 for dine in and Rs325-350 on online orders which is slightly higher sequentially
- Monthly average revenue for high footfall store is close to Rs7mn with store level operating margin at 30-35% significantly higher than company restaurant operating margin of 14-15%.
- **Korean Spicy Range** Attracted Gen-Z in Q1 but Lacked Stickiness The recently launched Korean spicy range received a good initial response from Gen-Z consumers but repeat purchases have remained low as consumer found it less interesting after eating one time highlighting a need to improve retention for such limited-time offers.
- McAloo Tikki & McVeggie burger combo (with fries or cold drink) in Veg; and McChicken & Chicken supreme burger in non-veg remained their top selling product
- Strong Summer Performance via McSaver Combos. This summer, McSaver value meals bundled with desserts performed particularly well, showing that affordability continues to be a key lever for driving sales.
- Combos Outpacing Premium Offerings Consumer preference is clearly tilting towards combo meals over premium individual SKUs. This indicates a value-conscious consumption pattern amidst inflationary pressures.

Restaurant Brands Asia (Burger King India)

- Burger King has seen an improvement in demand driven by healthy footfall over the summer holidays. It brought down its milkshake prices from Rs199 earlier to Rs99 now to attract consumers

- Overall AOV for high catchment area is ~Rs350 (inc dine in and delivery) which is slight improvement sequentially
- The Company has launched BK Express, which would reduce the delivery time significantly compared to Zomato & Swiggy.
- New products are launched every 3 months with the latest launch being the Korean theme which was launched 2 months ago.

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Asian Paints	Reduce	2,142	2,303
2	Avenue Supermarts	Hold	3,975	4,059
3	Britannia Industries	BUY	5,941	5,613
4	Colgate Palmolive	Hold	2,654	2,487
5	Dabur India	Hold	501	482
6	Emami	Accumulate	697	636
7	Hindustan Unilever	Accumulate	2,601	2,325
8	ITC	BUY	538	426
9	Jubilant FoodWorks	Hold	689	693
10	Kansai Nerolac Paints	Accumulate	284	255
11	Marico	Accumulate	718	699
12	Metro Brands	Hold	1,195	1,211
13	Mold-tec Packaging	Accumulate	636	565
14	Nestle India	Accumulate	2,559	2,433
15	Pidilite Industries	BUY	3,428	2,980
16	Restaurant Brands Asia	Accumulate	89	82
17	Titan Company	BUY	3,752	3,369
18	Westlife Foodworld	Hold	738	700

PL's Recommendation Nomenclature

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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