

February 13, 2025

Q3FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	HOLD		HOLD	
Target Price	672		719	
Sales (Rs. m)	72,289	83,970	72,454	84,548
% Chng.	(0.2)	(0.7)		
EBITDA (Rs. m)	15,313	18,633	15,266	18,418
% Chng.	0.3	1.2		
EPS (Rs.)	5.7	8.7	6.4	9.2
% Chng.	(9.7)	(5.9)		

Key Financials - Standalone

Y/e Mar	FY24	FY25E	FY26E	FY27E
Sales (Rs. m)	53,409	60,985	72,289	83,970
EBITDA (Rs. m)	10,941	11,734	15,313	18,633
Margin (%)	20.5	19.2	21.2	22.2
PAT (Rs. m)	2,459	2,128	3,793	5,735
EPS (Rs.)	3.7	3.2	5.7	8.7
Gr. (%)	(59.3)	(13.4)	78.2	51.2
DPS (Rs.)	1.2	1.6	2.4	3.5
Yield (%)	0.2	0.2	0.4	0.5
RoE (%)	11.3	9.2	15.1	20.4
RoCE (%)	23.1	20.0	27.5	33.1
EV/Sales (x)	7.9	6.9	5.8	4.9
EV/EBITDA (x)	38.7	36.0	27.3	22.1
PE (x)	172.0	198.7	111.5	73.7
P/BV (x)	19.1	17.6	16.1	14.1

Key Data

JUBI.BO | JUBI IN

52-W High / Low	Rs.797 / Rs.421
Sensex / Nifty	76,171 / 23,045
Market Cap	Rs.423bn / \$ 4,868m
Shares Outstanding	660m
3M Avg. Daily Value	Rs.1538.22m

Shareholding Pattern (%)

Promoter's	41.94
Foreign	21.26
Domestic Institution	30.38
Public & Others	6.08
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(13.0)	(1.6)	34.9
Relative	(11.6)	2.9	25.8

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Demand outlook cautiously optimistic

Quick Pointers:

- GM affected due to food inflation & delivery fee waiver, 100bps improvement likely over next 3 quarters.
- Popeyes economics are improving with lower capex/store and improving margins.

JFL reported subdued nos with standalone PAT missing on our estimate led by 1) lower GM amid higher input prices and discounting and 2) higher ad spends & employee cost. We cut our FY25/FY26/FY27 standalone EPS estimates by 12.8%/9.7%/5.9% as we expect overheads to remain elevated given overheads on new stores (180 Dominos addition in FY25, rising wage rates and RM inflation).

JUBI is focusing on driving volumes by innovations, low value meals, discounting and waived off delivery charges in a tepid demand environment, which will limit margin expansion in near term. Popeyes is witnessing good traction and with improving economics, losses are likely to be lower. Dp eurasia was impacted as inflation eased off to 42% in Turkey, however lower wage revision remains key concern for demand. We estimate 39% standalone EPS CAGR over FY24-27 on a low base. We have assigned 25x multiple to dp euraisa (Rs 80/share) on its CY26 earnings and arrived at SOTP based target price of Rs672 (719 earlier). Retain hold

Standalone Revenues up 18.9%, LFL growth at 12.5%: Standalone Revenues grew by 18.9% YoY to Rs16.1bn. LTL growth came at 12.5%. Gross margins contracted by 159bps YoY to 75.1%. EBITDA grew by 10.6% YoY to Rs3.1bn (PLe:Rs3.3bn); Margins contracted by 145bps YoY to 19.4% (PLe:20.5%). Adj PAT grew by 7.9% YoY to Rs0.7bn. Pre-IndAS EBITDA margin came at 12.4%, up 70bps QoQ.

DP Eurasia (Turkey, Azerbaijan and Georgia) - DP Eurasia system sales came in at Rs. 7,719 Mn. Turkey, Azerbaijan and Georgia, DP Eurasia system sales came in at Rs. 8,345 million. Domino's Turkey System Sales was Rs. 7,544million with LFL growth of -3.2%. COFFY's System Sales was Rs. 801 million with LFL growth of -2.6%

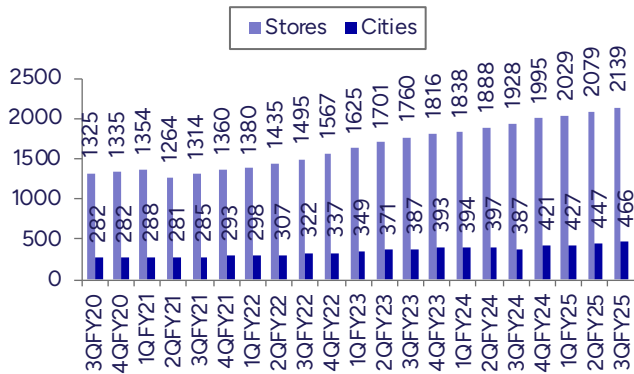
Concall Takeaways: 1) Overall demand remains muted 2) Gross margin came in at 75.1%, lower by 160bps year on year due to higher food costs for new product launches and inflation. 3) The company is targeting a 100-bps improvement in gross margin over the next two to three quarters through initiatives to correct wastages and costs related to packaging material 4) Competitive intensity remains high, however large players doing good compared to smaller chain in uncertain environment. 5) The Company has matched competitive discounts on aggregator platforms to avoid losing market share and thus gained share in Q3. 6) Government in turkey has brought down the inflation to 42% form 64.9%, however lower wage revision in turkey have led to headwinds for the overall consumer demand 7) Introduced three new flavors of popular Cheese Burst range, further enhancing pizza credentials and cheese portfolio. 8) The company also launched new products in response to customer preferences, including wings, cheesy meals, poppers, and boneless wings. 9) Popeye is seeing good traction with EBITDA margins improving and capex/store declining.

Exhibit 1: Net Sales grew 18.9%, while EBITDA margins contracted by ~145bps YoY

Y/e March	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	9MFY25	9MFY24	YoY gr. (%)
Net Sales	16,111	13,551	18.9	14,669	45,175	40,096	12.7
Gross Profit	12,092	10,387	16.4	11,157	34,204	30,618	11.7
% of NS	75.1	76.7	(1.6)	76.1	75.7	76.4	(0.6)
Other Expenses	8,965	7,560	18.6	8,315	25,453	22,219	14.6
% of NS	55.6	55.8	(0.1)	56.7	56.3	55.4	0.9
EBITDA	3,128	2,827	10.6	2,842	8,751	8,398	4.2
Margins %	19.4	20.9	(1.5)	19.4	19.4	20.9	(1.6)
Depreciation	1,741	1,465	18.8	1,654	4,946	4,172	18.5
Interest	682	583	16.9	640	1,942	1,630	19.1
Other Income	83	40	109.3	150	306	199	53.4
PBT	788	819	(3.8)	698	2,169	2,795	(22.4)
Tax	130	209	(38.0)	177	475	712	(33.3)
Tax rate %	16.5	25.6	(9.1)	25.4	21.9	25.5	(3.6)
Adjusted PAT	658	610	7.9	521	1,694	2,083	(18.7)

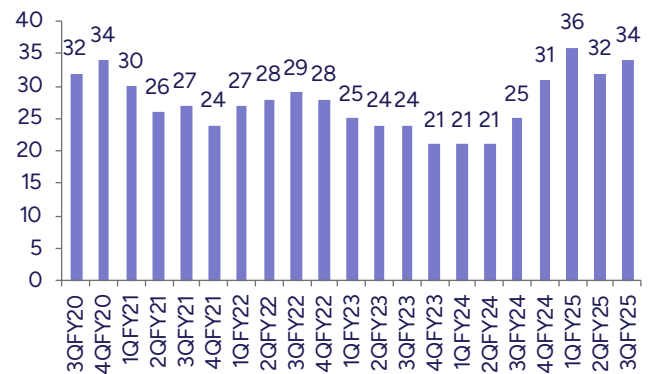
Source: Company, PL

Exhibit 2: Dominoes opened 60 net new stores in 3Q



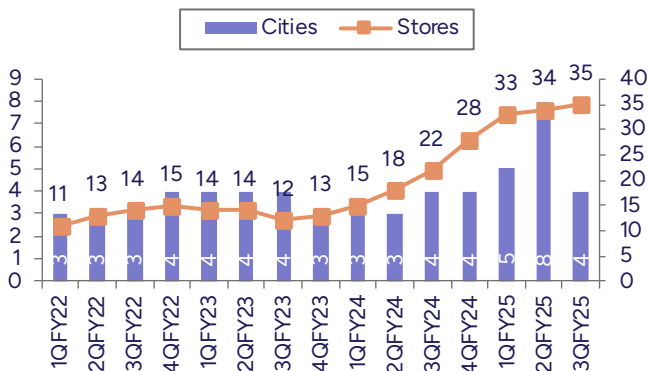
Source: Company, PL

Exhibit 3: Dunking Donuts saw 2 new openings



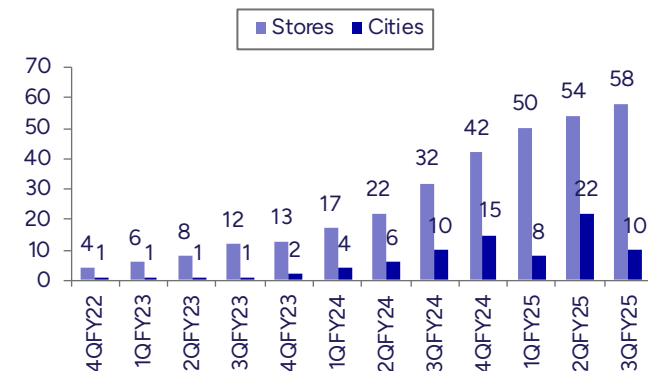
Source: Company, PL

Exhibit 4: Hong's Kitchen adds 1 new stores



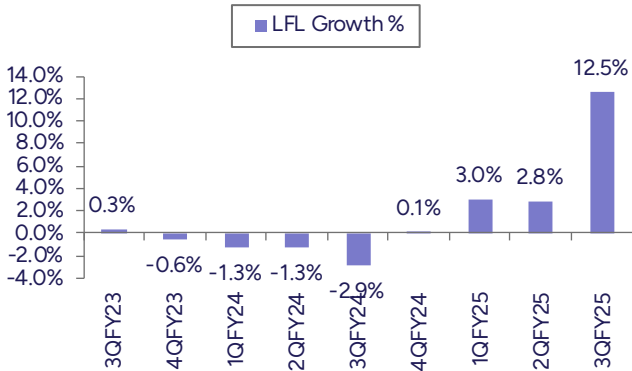
Source: Company, PL

Exhibit 5: Popeyes adds 4 stores, takes total to 58



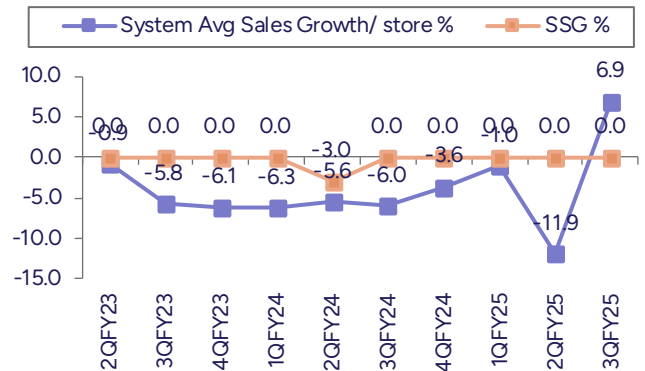
Source: Company, PL

Exhibit 6: Dominos LFL Growth came at 12.5% in 3Q



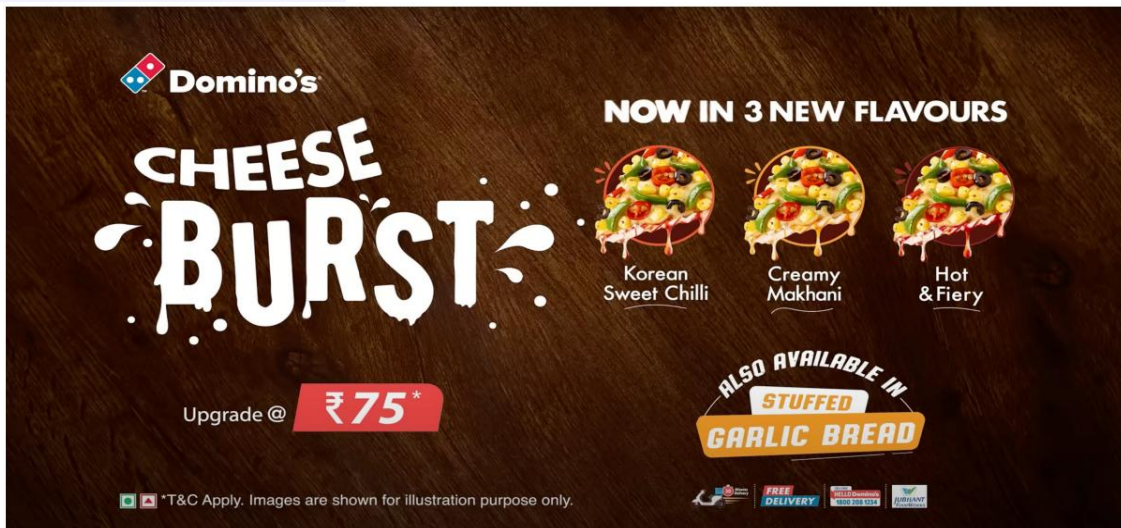
Source: Company, PL

Exhibit 7: System average sales/store grew at 6.9% in Q3



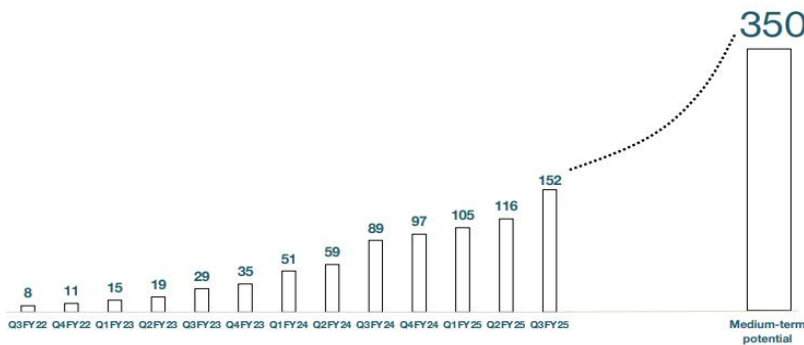
Source: Company, PL

Exhibit 8: Launched 3 new flavors of cheese burst pizza



Source: PL, Company

Exhibit 9: COFFY reached a milestone of 150 stores in 3QFY25



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Net Revenues	53,409	60,985	72,289	83,970
YoY gr. (%)	4.8	14.2	18.5	16.2
Cost of Goods Sold	12,591	14,848	16,968	19,639
Gross Profit	40,817	46,137	55,321	64,330
Margin (%)	76.4	75.7	76.5	76.6
Employee Cost	9,914	11,418	13,119	14,816
Other Expenses	10,323	11,859	13,700	15,812
EBITDA	10,941	11,734	15,313	18,633
YoY gr. (%)	(5.6)	7.2	30.5	21.7
Margin (%)	20.5	19.2	21.2	22.2
Depreciation and Amortization	5,684	6,732	7,858	8,762
EBIT	5,257	5,002	7,455	9,871
Margin (%)	9.8	8.2	10.3	11.8
Net Interest	2,239	2,572	2,914	3,095
Other Income	285	408	516	871
Profit Before Tax	3,183	2,838	5,057	7,647
Margin (%)	6.0	4.7	7.0	9.1
Total Tax	844	709	1,264	1,912
Effective tax rate (%)	26.5	25.0	25.0	25.0
Profit after tax	2,339	2,128	3,793	5,735
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	2,459	2,128	3,793	5,735
YoY gr. (%)	(39.0)	(13.4)	78.2	51.2
Margin (%)	4.6	3.5	5.2	6.8
Extra Ord. Income / (Exp)	(120)	-	-	-
Reported PAT	2,339	2,128	3,793	5,735
YoY gr. (%)	(34.3)	(9.0)	78.2	51.2
Margin (%)	4.4	3.5	5.2	6.8
Other Comprehensive Income	(465)	(465)	(465)	(465)
Total Comprehensive Income	1,874	1,663	3,327	5,270
Equity Shares O/s (m)	660	660	660	660
EPS (Rs)	3.7	3.2	5.7	8.7

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Non-Current Assets				
Gross Block	2,857	40,098	45,949	52,179
Tangibles	0	36,881	42,424	48,329
Intangibles	2,856	3,217	3,525	3,850
Acc: Dep / Amortization	13,201	16,963	21,574	26,815
Tangibles	11,886	15,310	19,551	24,388
Intangibles	1,315	1,653	2,023	2,427
Net fixed assets	20,028	23,135	24,375	25,364
Tangibles	18,486	21,571	22,873	23,941
Intangibles	1,541	1,565	1,502	1,423
Capital Work In Progress	1,156	1,050	950	950
Goodwill	-	-	-	-
Non-Current Investments	8,201	8,974	9,119	9,268
Net Deferred tax assets	866	953	1,048	1,153
Other Non-Current Assets	22,293	23,749	24,985	26,136
Current Assets				
Investments	974	1,000	1,200	1,440
Inventories	2,630	2,696	2,848	3,242
Trade receivables	584	418	495	575
Cash & Bank Balance	717	1,653	5,623	10,557
Other Current Assets	946	1,098	1,301	1,511
Total Assets	58,396	64,726	71,944	80,197
Equity				
Equity Share Capital	1,320	1,320	1,320	1,320
Other Equity	20,797	22,673	24,944	28,630
Total Network	22,117	23,992	26,264	29,950
Non-Current Liabilities				
Long Term borrowings	1,980	2,050	2,000	1,500
Provisions	-	-	-	-
Other non current liabilities	22,749	24,854	27,847	30,820
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	6,626	7,085	8,202	9,386
Other current liabilities	4,912	6,532	7,420	8,329
Total Equity & Liabilities	58,396	64,527	71,745	79,997

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
PBT	3,303	2,838	5,057	7,647
Add. Depreciation	5,684	6,732	7,858	8,762
Add. Interest	2,239	2,572	2,914	3,095
Less Financial Other Income	285	408	516	871
Add. Other	(890)	(747)	(689)	(820)
Op. profit before WC changes	10,337	11,396	15,141	18,685
Net Changes-WC	(136)	779	972	798
Direct tax	(844)	(709)	(1,264)	(1,912)
Net cash from Op. activities	9,356	11,465	14,849	17,571
Capital expenditures	(11,957)	(11,767)	(10,251)	(10,803)
Interest / Dividend Income	9	-	-	-
Others	2,200	(708)	(4,327)	(5,234)
Net Cash from Inv. activities	(9,747)	(12,475)	(14,577)	(16,037)
Issue of share cap. / premium	(420)	1,004	-	-
Debt changes	4,179	3,624	3,542	3,084
Dividend paid	(792)	(792)	(1,056)	(1,584)
Interest paid	(2,239)	(2,572)	(2,914)	(3,095)
Others	(2)	-	-	-
Net cash from Fin. activities	726	1,264	(428)	(1,595)
Net change in cash	335	254	(157)	(60)
Free Cash Flow	(2,758)	322	4,598	6,768

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25E	FY26E	FY27E
Per Share(Rs)				
EPS	3.7	3.2	5.7	8.7
CEPS	12.3	13.4	17.7	22.0
BVPS	33.5	36.4	39.8	45.4
FCF	(4.2)	0.5	7.0	10.3
DPS	1.2	1.6	2.4	3.5
Return Ratio(%)				
RoCE	23.1	20.0	27.5	33.1
ROIC	9.3	8.1	11.4	14.5
RoE	11.3	9.2	15.1	20.4
Balance Sheet				
Net Debt : Equity (x)	0.0	0.0	(0.2)	(0.4)
Net Working Capital (Days)	(23)	(24)	(25)	(24)
Valuation(x)				
PER	172.0	198.7	111.5	73.7
P/B	19.1	17.6	16.1	14.1
P/CEPS	51.9	47.7	36.3	29.2
EV/EBITDA	38.7	36.0	27.3	22.1
EV/Sales	7.9	6.9	5.8	4.9
Dividend Yield (%)	0.2	0.2	0.4	0.5

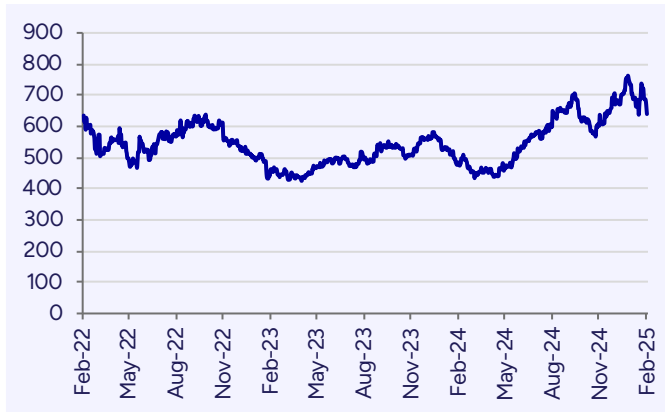
Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Net Revenue	13,313	14,396	14,669	16,111
YoY gr. (%)	6.3	9.9	9.1	18.9
Raw Material Expenses	3,113	3,441	3,512	4,018
Gross Profit	10,200	10,955	11,157	12,092
Margin (%)	76.6	76.1	76.1	75.1
EBITDA	2,543	2,782	2,842	3,128
YoY gr. (%)	0.8	0.6	1.3	10.6
Margin (%)	19.1	19.3	19.4	19.4
Depreciation / Depletion	1,511	1,552	1,654	1,741
EBIT	1,032	1,230	1,188	1,387
Margin (%)	7.7	8.5	8.1	8.6
Net Interest	609	619	640	682
Other Income	86	73	150	83
Profit before Tax	508	683	698	788
Margin (%)	3.8	4.7	4.8	4.9
Total Tax	132	168	177	130
Effective tax rate (%)	26.0	24.6	25.4	16.5
Profit after Tax	376	515	521	658
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	376	515	521	658
YoY gr. (%)	(44.3)	(31.5)	(27.8)	7.9
Margin (%)	2.8	3.6	3.5	4.1
Extra Ord. Income / (Exp)	(120)	-	-	(248)
Reported PAT	256	515	521	410
YoY gr. (%)	(46.1)	(31.5)	(27.8)	(32.7)
Margin (%)	1.9	3.6	3.5	2.5
Other Comprehensive Income	(551)	162	254	(633)
Total Comprehensive Income	(295)	677	775	(223)
Avg. Shares O/s (m)	14	14	14	14
EPS (Rs)	26.9	36.8	37.2	47.0

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Jan-25	Hold	719	750
2	11-Nov-24	Hold	589	603
3	07-Oct-24	Hold	582	629
4	09-Aug-24	Hold	612	599
5	09-Jul-24	UR	-	570
6	22-May-24	Hold	490	480
7	09-Apr-24	Hold	507	448
8	13-Mar-24	Hold	495	445

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Asian Paints	Reduce	2,123	2,354
2	Avenue Supermarts	Hold	3,964	3,686
3	Britannia Industries	BUY	5,881	4,871
4	Colgate Palmolive	Hold	2,801	2,679
5	Dabur India	Hold	561	534
6	Emami	Accumulate	716	554
7	Hindustan Unilever	Accumulate	2,691	2,343
8	ITC	Accumulate	530	443
9	Jubilant FoodWorks	Hold	719	750
10	Kansai Nerolac Paints	Hold	278	249
11	Marico	Accumulate	704	671
12	Metro Brands	Hold	1,177	1,199
13	Mold-tek Packaging	Accumulate	621	558
14	Nestle India	Accumulate	2,606	2,300
15	Pidilite Industries	Accumulate	3,318	2,910
16	Restaurant Brands Asia	Hold	76	72
17	Titan Company	BUY	3,833	3,491
18	Westlife Foodworld	Hold	778	718

PL's Recommendation Nomenclature (Absolute Performance)

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

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