

February 28, 2025

Analyst Meet Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	HOLD		HOLD	
Target Price	692		672	
Sales (Rs. m)	72,695	86,066	72,289	83,970
% Chng.	0.6	2.5		
EBITDA (Rs. m)	14,916	18,280	15,313	18,633
% Chng.	(2.6)	(1.9)		
EPS (Rs.)	4.8	6.8	5.7	8.7
% Chng.	(16.8)	(21.5)		

Key Financials - Standalone

Y/e Mar	FY24	FY25E	FY26E	FY27E
Sales (Rs. m)	53,409	60,816	72,695	86,066
EBITDA (Rs. m)	10,941	11,714	14,916	18,280
Margin (%)	20.5	19.3	20.5	21.2
PAT (Rs. m)	2,459	2,058	3,155	4,500
EPS (Rs.)	3.7	3.1	4.8	6.8
Gr. (%)	(59.3)	(16.3)	53.3	42.6
DPS (Rs.)	1.2	1.3	2.0	3.0
Yield (%)	0.2	0.2	0.3	0.4
RoE (%)	11.3	8.9	12.7	16.6
RoCE (%)	23.1	19.8	25.7	31.0
EV/Sales (x)	8.3	7.3	6.1	5.1
EV/EBITDA (x)	40.5	37.7	29.5	23.9
PE (x)	180.0	215.1	140.3	98.4
P/BV (x)	20.0	18.5	17.2	15.5

Key Data

JUBI.BO | JUBI IN

52-W High / Low	Rs.797 / Rs.421
Sensex / Nifty	74,612 / 22,545
Market Cap	Rs.443bn/ \$ 5,077m
Shares Outstanding	660m
3M Avg. Daily Value	Rs.1501.82m

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	(4.7)	3.2	44.6
Relative	(1.0)	13.9	40.5

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BOLD strategy to accelerate profitable growth

Quick Pointers:

- Management guided for double digit revenue/PAT CAGR with 200bps margin improvement over FY24-FY28.
- Dominos Store count to cross 3000 In India and 1000 in Turkey by 2028, Investing in 4 more commissaries (Mumbai, Ahmedabad, Guwahati, Kolkata)

Jubilant Foodworks Analyst Meet outlined its BOLD strategy (Breakthrough Technology, Operational Excellence, Lead with Purpose, and Delicious Food) for both India and DP Eurasia business. JFL plans to focus on technology (AI) and innovation-led growth, leveraging technology to deliver more personalized experiences to consumers while driving cost efficiency. Dominos India is aiming for 5 new platforms and expand the depth and width of portfolio with launch of Big Big 6-in-1 Pizza, Cheesy Rice, Korean Bun and a value range menu. It plans to expand Popeyes and improve its ADS and profitability, although no specifics have been shared.

JUBI's 2028 plans include 3000 dominos outlets in India and 1000 in Dp Eurasia and will target for making coffy as 3rd largest coffee chain in Turkey. It will look at 200bps margin expansion and improving cash flows by tech led efficiencies.

JUBI seems best placed to benefit from expected uptick in demand given multiple brands and tech led innovations. We cut our standalone estimates by 4.4/16.8/21.5% due to higher capex plans and lower than expected margin guidance. We estimate JUBI's EPS to increase to Rs6.8 in FY27 (Rs3.1 in FY25 and Rs6.7 in FY22) on a depleted base. We value JUBI at Rs692 (SOTP with India business at 35x FY27 EV/ EBITDA and DP Eurasia at 25x PAT on FY27). Retain Hold with target price of Rs692 (Rs672 earlier).

Analyst Meet Takeaways: 1) JFL is extensively using AI for network expansion by having access to 1000+ prioritize sites and inventory management 2) Company will invest in 4 new commissaries in Mumbai/Ahmedabad /Guwahati/Kolkata and by 2028 with each incurring capex of Rs2.5bn/1bn/1bn/1bn 3) Currently company is serving 7mn+ order under 20 min delivery program 4) JFL will continue invest in technology with focus on hyper personalized app, optimize discounts and inventory & loyalty 2.0 program. 5) Company is likely to build 5 food platforms in coming years with focus on Big Big Pizza (6 in 1), cheesy rice, Korean bun and new value range etc. 6) Dominos global market share has increased from 2.5% to 3.7% over FY23-24. 7) Coffy continues to see traction with a focus on uniform pricing. 8) DP Eurasia is likely to see good growth in near to medium term led by higher market penetration, rapid expansion and lower risk amid franchisee model 9) Dominos is expected to reach store count of 3000 in India by FY28 with presence in 700 towns across country. 10) Management has guided double digit Revenue/PAT CAGR over FY24-FY28 with 200bps improvement in margins. 11) Stockout for JFL remains one of the lowest in the market with 3% vs 7.5% of the overall market while supply chain efficiencies and backward integration provide savings at 2.5% of sales

“BOLD” to be cornerstone of growth strategy

JFL is unlocking its growth potential in India and DP Eurasia with its “BOLD” strategy (B- Breakthrough technology, O- Operation excellence. L- lead with purpose and D- Delicious food)

Dominos India

- JFL has 250 strong technology team and has developed next gen platform in 36 months. Dominos App is now food first app with 4m monthly downloads and MTU higher than food delivery business of swiggy.
- JFL is continuously investing in **cutting edge technology** and has identified 1000+ priority location with location.AI. The benefits are already visible with lower payback period of new stores. It will focus on building **immersive and engaging apps** that will give consumer an altogether new experience with aiming for 2x the loyalty.
- Dominos has developed Restaurant co-pilot that will help in managing traffic optimize discounts, inventory/stock and help in KPI tracking which will eventually help reduce operating cost in long term.
- JFL is also using personalization driven by self-learning data science models which will help in different home page at city- store level, menu page sequencing and real time discounting.
- JFL is looking to launch next gen Popeyes and AI chat bot with its Popeye Next gen App 2.0 which will be more interactive and consumer centric.
- JFL is looking to optimize its operations with reaching customers in <20min (8 min cooking, 12 min delivery) in 7 metro cities and we believe the number of cities with faster delivery will bringing in more efficiencies going forward.
- Its integrated commissary model is enabling lower stock outs at 3% versus 7.5% for the industry. Centralised purchases and integrated model (in-house manufacturing of Sauces, seasonings and Buns) have helped the company with 250bps gains in food costs.
- JUBI is looking at adding 4 new commissaries in Mumbai (Integrated), while the ones in Ahmedabad, Guwahati and Kolkata will be non integrated. The capex for Mumbai is estimated at Rs2.5bn while others will cost Rs1bn each.
- JUBI has menu innovations and developing newer food platforms as a part of delicious food strategy. It is looking at 5 new platforms like Big Big pizza which will be a 6 in 1 Pizza with square shape, cheesy rice, Korean Bun, Wraps and Keema Egg with most of these positioned at the value end of the spectrum. These launches and technology will enable the company increase its share by 500bps with Genz.
- JUBI has not given any clear expansion plans or timeline for other brands like Hong’s kitchen, Popeyes and Dunkin Donuts. It plans to grow Popeyes ADS and focus will be on cost control and profitable operations.

Exhibit 1: JUBI unveils BOLD strategy to foster growth

●	Breakthrough technology		<ul style="list-style-type: none"> • Identified 1000 priority sites with Location.AI • Immersive, engaging, vertical-apps: 2x the loyalty • Restaurant Co-pilot : breaking the EBITDA barrier
●	Operate with Excellence		<ul style="list-style-type: none"> • Reach customers in <20 mins in seven metros • Regional but integrated supply chain with insourcing of critical ingredients (e.g., sauces, seasoning)
●	Lead with Purpose		<ul style="list-style-type: none"> • Embed JFL values; be the top employer of choice • Hustle mindfully to have the highest throughput per store in the world
●	Delicious Food		<ul style="list-style-type: none"> • Build food-platforms of Rs.10 billion in annual sales

Source: Company, PL

Exhibit 2: Domino's is available on all key platforms, in addition to its own APP

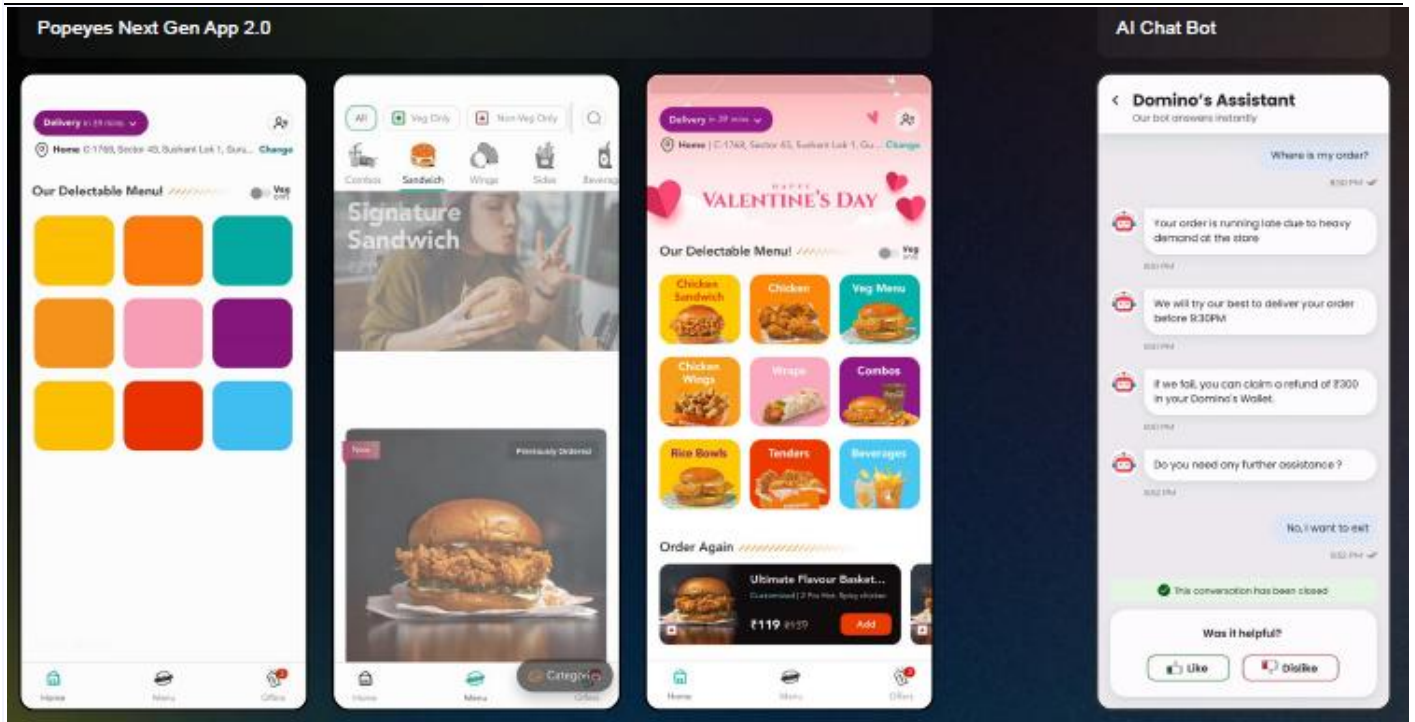
Source: Company, PL

Exhibit 3: Dominos aims for adding 5 more platforms including Big Big Pizza and Cheesy Rice

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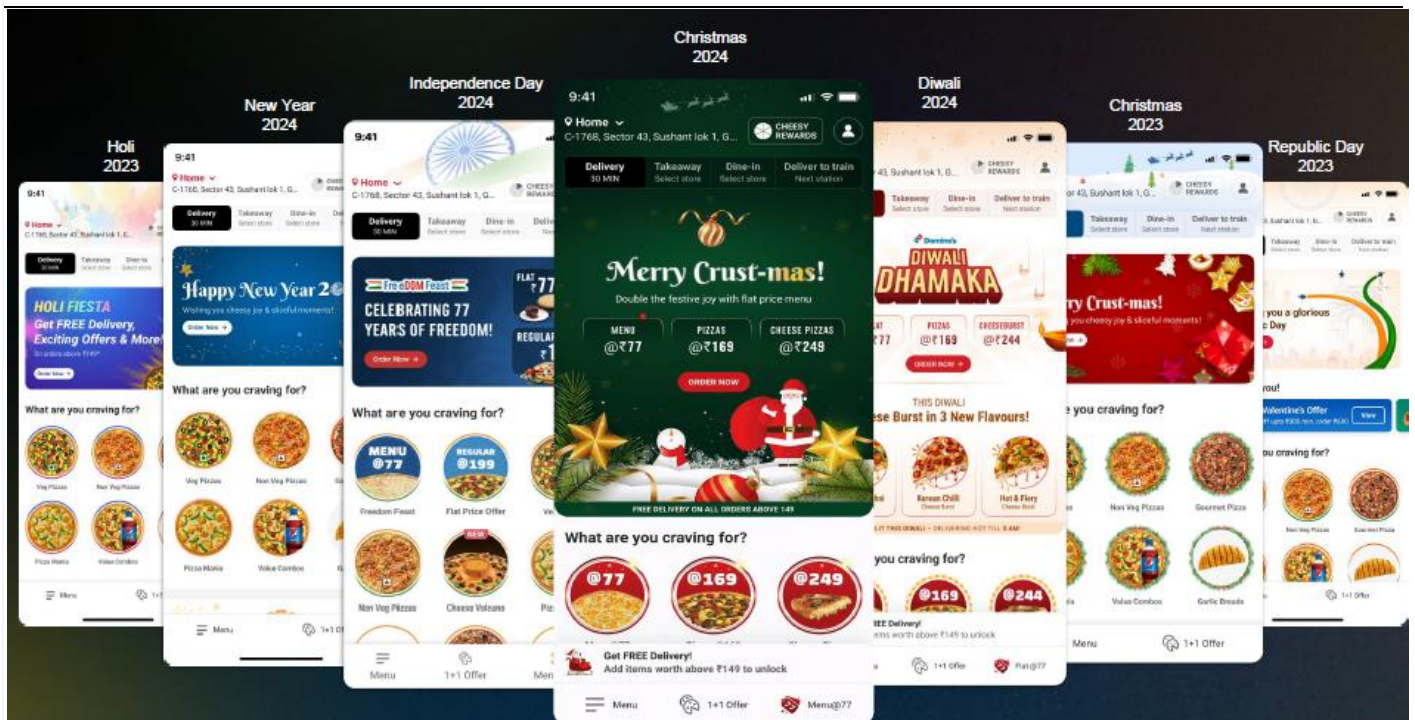
Source: PL, Company

Exhibit 4: New User Interface for Popeyes and AI chat box for Dominos



Source: Company, PL

Exhibit 5: Dominos offers curated offers on various festivals enabled by its tech innovation

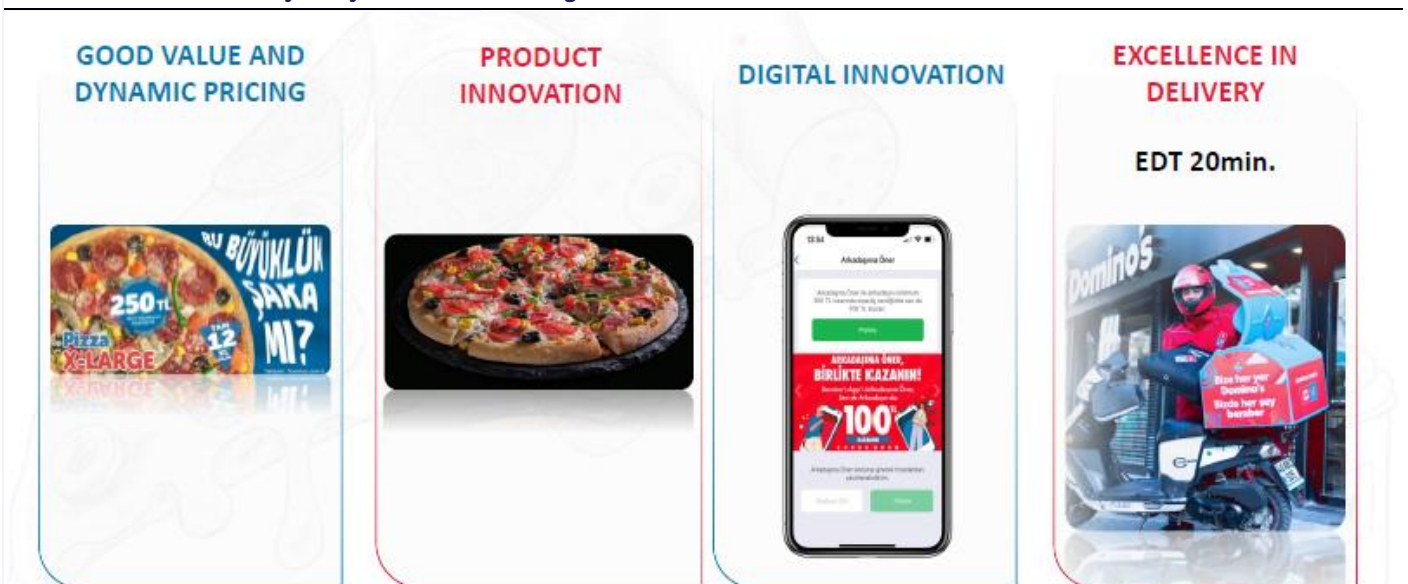


Source: Company, PL

DP Eurasia – Aiming to be largest QSR and 3rd largest coffee chain

- DP Eurasia has grown sales at 18% CAGR since 2015. It is largest Pizza player with 3x size than Pizza hut and has 51% share of the market. It is also the 2nd ranked in overall QSR market in Turkey.
- Dominos is present in 80 out of 81 cities and plans to increase the number of Dominos to 1000 (755 currently).
- Coffy** is the fastest growing coffee chain as the number of outlets has increased from 21 to 152 in 3 years. The number of Coffy stores are expected to increase steadily (152 currently) with target of achieving 3rd rank from 7th as of now. Coffy is positioned as a high-quality product with uniform priced drinks which offer significant value for money to consumers. 52% of Coffy stores are in universities and around them which leads to strong footfalls and connect with the youth.
- DP Eurasia is tech enabled with 82% of Dominos sales being tech enabled. Wide variety value for money and digitalisation. **Dominos** will leverage its low-risk and high reward strategy with is franchise led business model wherein low capex, shared risk, strong payback and profitability will drive the growth. The number of own stores has declined from 152 to 79.
- Product innovation strategy** with focus on hero products (BoI, extra cheese bread), differentiating itself from competition & local Flavors will help maximize dominos potential in Turkey.
- DP Eurasia has 4 commissaries which can fulfil its requirements up to 1000 stores which will curtail capex in near term. We believe even considering currency devaluation turkey the growth will in double digits.

Exhibit 6: Dominos Turkey - Key Enablers for strong LFL Growth



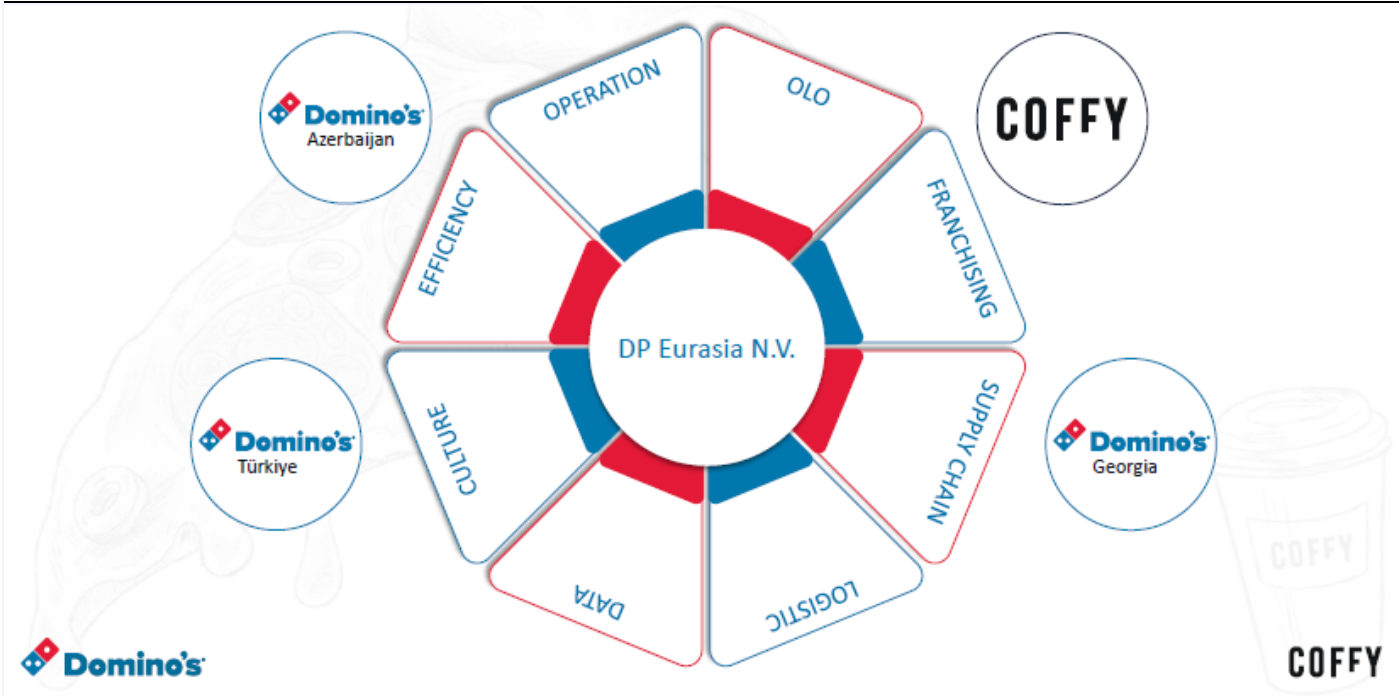
Source: Company, PL

Exhibit 7: Product Innovation for DP Eurasia

Hero Products		Lots of Topping Series			
					
Bol Malzemos	Extra Cheese Bread	Dopdolu Extra Number of toppings: 16	Extravaganzza Number of toppings: 9	Karışık Number of toppings: 5	
Differentiate from Competition			Local Flavors		
					
Dom Dom	Volkano	Pan Pizza	Souffle	Ocakbaşı	Alaturko

Source: Company, PL

Exhibit 8: Roadmap to No.1 in QSR segment in DP Eurasia



Source: Company, PL

JUBI aiming for 200bps margin expansion and 3000 stores by 2028

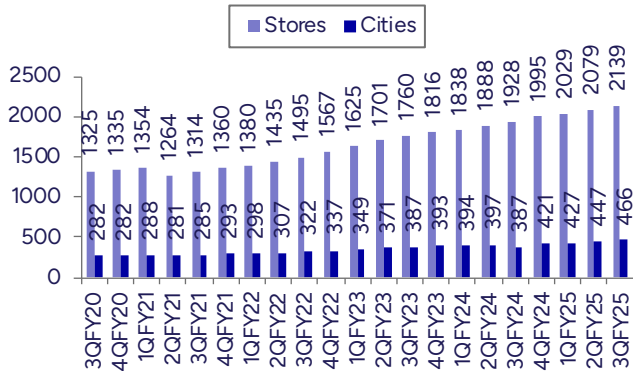
- JUBI has given 2028 plan under which it plans to increase the store count of Dominos to 3000 in India and 1000 in DP Eurasia.
- Topline growth will be driven by 1) innovations 2) Gen Z connect 3) All day part menu 4) store expansion and scale up in Popeyes and Coffy
- JUBI is aiming at double digit sales growth and 200bps margin expansion which will be driven by operating leverage across lines enabled by 1) Labour – tech enabled 2) AI based surveillance, E bikes, Sourcing gains, product innovations, smart pricing and cost reduction.
- DP Eurasia has grown sales at 18% CAGR since 2015. It is largest Pizza player with 3x size than Pizza hut and has 51% share of the market. It is also the 2nd ranked in overall QSR market in Turkey.

Exhibit 9: Dominos to improve Profits and Accelerating Growth with Smart Capital Allocation



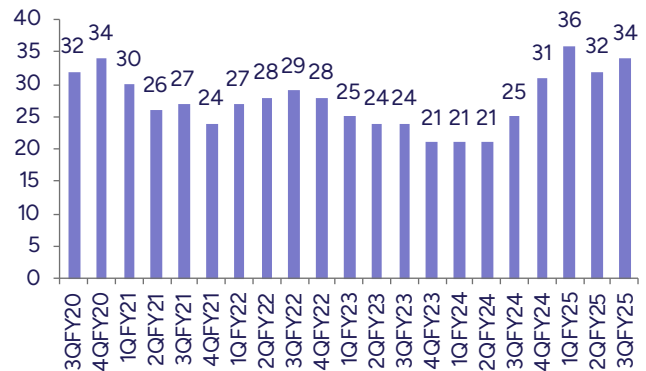
Source: Company, PL

Exhibit 10: Dominoes opened 60 net new stores in 3Q



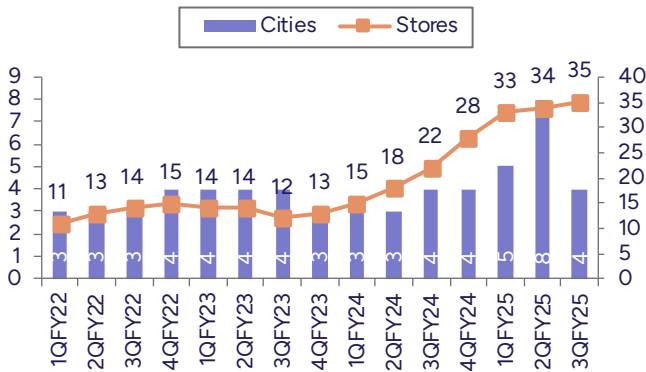
Source: Company, PL

Exhibit 11: Dunking Donuts saw 2 new openings



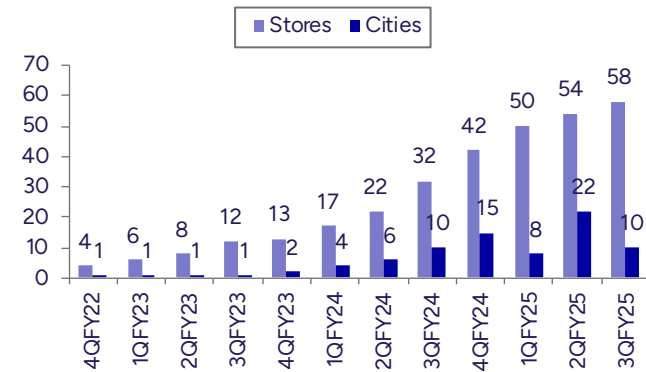
Source: Company, PL

Exhibit 12: Hong's Kitchen adds 1 new stores



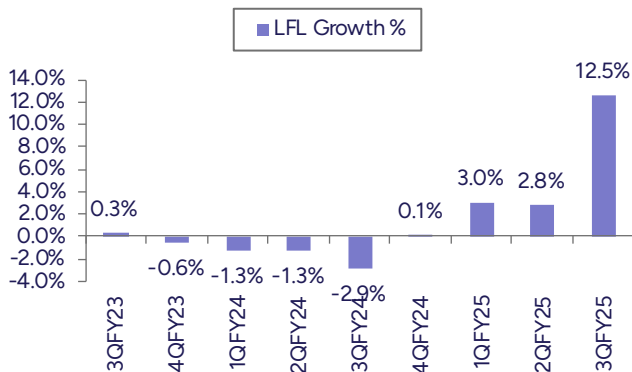
Source: Company, PL

Exhibit 13: Popeyes adds 4 stores, takes total to 58



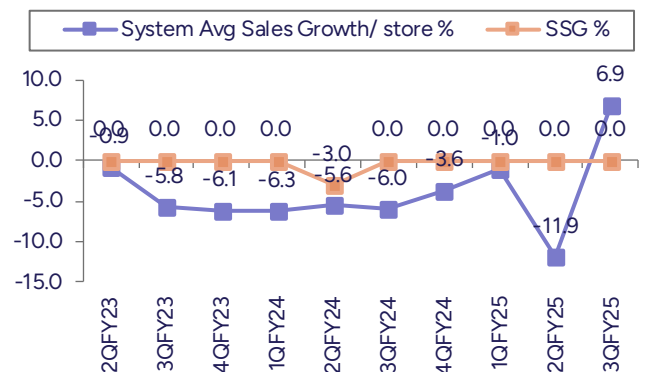
Source: Company, PL

Exhibit 14: Dominos LFL Growth came at 12.5% in 3Q



Source: Company, PL

Exhibit 15: System average sales/store grew by 6.9% in 3Q



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Net Revenues	53,409	60,816	72,695	86,066
YoY gr. (%)	4.8	13.9	19.5	18.4
Cost of Goods Sold	12,591	14,807	17,065	20,135
Gross Profit	40,817	46,010	55,631	65,931
Margin (%)	76.4	75.7	76.5	76.6
Employee Cost	9,914	11,518	13,648	15,946
Other Expenses	10,323	11,805	13,805	16,260
EBITDA	10,941	11,714	14,916	18,280
YoY gr. (%)	(5.6)	7.1	27.3	22.6
Margin (%)	20.5	19.3	20.5	21.2
Depreciation and Amortization	5,684	6,767	8,002	9,337
EBIT	5,257	4,947	6,914	8,943
Margin (%)	9.8	8.1	9.5	10.4
Net Interest	2,239	2,611	3,108	3,475
Other Income	285	408	401	532
Profit Before Tax	3,183	2,744	4,207	6,000
Margin (%)	6.0	4.5	5.8	7.0
Total Tax	844	686	1,052	1,500
Effective tax rate (%)	26.5	25.0	25.0	25.0
Profit after tax	2,339	2,058	3,155	4,500
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	2,459	2,058	3,155	4,500
YoY gr. (%)	(39.0)	(16.3)	53.3	42.6
Margin (%)	4.6	3.4	4.3	5.2
Extra Ord. Income / (Exp)	(120)	-	-	-
Reported PAT	2,339	2,058	3,155	4,500
YoY gr. (%)	(34.3)	(12.0)	53.3	42.6
Margin (%)	4.4	3.4	4.3	5.2
Other Comprehensive Income	(465)	(465)	(465)	(465)
Total Comprehensive Income	1,874	1,593	2,690	4,035
Equity Shares O/s (m)	660	660	660	660
EPS (Rs)	3.7	3.1	4.8	6.8

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Non-Current Assets				
Gross Block	2,857	39,667	47,659	56,329
Tangibles	0	36,470	44,053	52,281
Intangibles	2,856	3,197	3,606	4,048
Acc: Dep / Amortization	13,201	16,961	21,533	26,980
Tangibles	11,886	15,310	19,504	24,526
Intangibles	1,315	1,651	2,029	2,454
Net fixed assets	20,028	22,707	26,126	29,348
Tangibles	18,486	21,160	24,549	27,755
Intangibles	1,541	1,546	1,577	1,593
Capital Work In Progress	1,156	1,050	950	950
Goodwill	-	-	-	-
Non-Current Investments	8,201	8,989	9,195	9,424
Net Deferred tax assets	866	953	1,048	1,153
Other Non-Current Assets	22,293	24,141	27,213	30,404
Current Assets				
Investments	974	1,000	1,200	1,440
Inventories	2,630	2,689	2,864	3,324
Trade receivables	584	417	498	589
Cash & Bank Balance	717	2,052	3,488	5,602
Other Current Assets	946	1,095	1,309	1,549
Total Assets	58,396	65,093	73,890	83,785
Equity				
Equity Share Capital	1,320	1,320	1,320	1,320
Other Equity	20,797	22,602	24,467	27,182
Total Networkth	22,117	23,922	25,787	28,501
Non-Current Liabilities				
Long Term borrowings	1,980	2,050	2,000	1,500
Provisions	-	-	-	-
Other non current liabilities	22,749	25,252	29,821	34,803
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	6,626	7,067	8,333	9,764
Other current liabilities	4,912	6,590	7,738	9,004
Total Equity & Liabilities	58,396	64,893	73,691	83,585

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
PBT	3,303	2,744	4,207	6,000
Add. Depreciation	5,684	6,767	8,002	9,337
Add. Interest	2,239	2,611	3,108	3,475
Less Financial Other Income	285	408	401	532
Add. Other	(890)	(731)	(933)	(921)
Op. profit before WC changes	10,337	11,390	14,384	17,892
Net Changes-WC	(136)	767	1,099	980
Direct tax	(844)	(686)	(1,052)	(1,500)
Net cash from Op. activities	9,356	11,472	14,431	17,371
Capital expenditures	(11,957)	(11,796)	(14,226)	(15,630)
Interest / Dividend Income	9	-	-	-
Others	2,200	(706)	(1,463)	(1,925)
Net Cash from Inv. activities	(9,747)	(12,502)	(15,689)	(17,555)
Issue of share cap. / premium	(420)	1,004	-	-
Debt changes	4,179	4,084	5,363	5,408
Dividend paid	(792)	(792)	(825)	(1,320)
Interest paid	(2,239)	(2,611)	(3,108)	(3,475)
Others	(2)	-	-	-
Net cash from Fin. activities	726	1,686	1,430	613
Net change in cash	335	656	172	430
Free Cash Flow	(2,758)	299	205	1,741

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25E	FY26E	FY27E
Per Share(Rs)				
EPS	3.7	3.1	4.8	6.8
CEPS	12.3	13.4	16.9	21.0
BVPS	33.5	36.3	39.1	43.2
FCF	(4.2)	0.5	0.3	2.6
DPS	1.2	1.3	2.0	3.0
Return Ratio(%)				
RoCE	23.1	19.8	25.7	31.0
ROIC	9.3	8.0	10.0	11.7
RoE	11.3	8.9	12.7	16.6
Balance Sheet				
Net Debt : Equity (x)	0.0	0.0	(0.1)	(0.2)
Net Working Capital (Days)	(23)	(24)	(25)	(25)
Valuation(x)				
PER	180.0	215.1	140.3	98.4
P/B	20.0	18.5	17.2	15.5
P/CEPS	54.4	50.2	39.7	32.0
EV/EBITDA	40.5	37.7	29.5	23.9
EV/Sales	8.3	7.3	6.1	5.1
Dividend Yield (%)	0.2	0.2	0.3	0.4

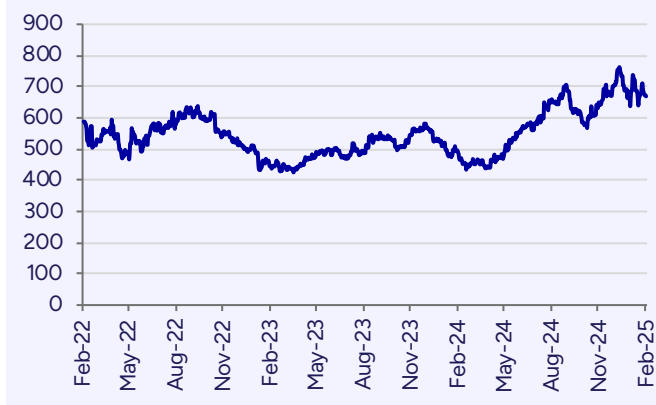
Source: Company Data, PL Research

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	13-Feb-25	Hold	672	641
2	08-Jan-25	Hold	719	750
3	11-Nov-24	Hold	589	603
4	07-Oct-24	Hold	582	629
5	09-Aug-24	Hold	612	599
6	09-Jul-24	UR	-	570
7	22-May-24	Hold	490	480
8	09-Apr-24	Hold	507	448
9	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	672	641
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

ANALYST CERTIFICATION

(Indian Clients)

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