

## Jubilant Foodworks

### Strategic actions helped register 2.8% LFL growth

JUBI's Q2FY25 print was in-line with our estimates; standalone revenue/EBITDA grew 9.1%/1.3%, yet PAT fell by 27.8%. Despite subdued consumption with strong execution of strategic priorities, JUBI delivered resilient LFL growth at 2.8%, better than industry. We note turnaround in Domino's LFL growth was led by, (1) delivery channel sales/LFL grew by 15.9%/11.4% led by waiving off delivery fee, (2) brand campaign 'IHOP' driving strong new buyer footfall, (3) MAU at 12.8mn grew 18.5% with lower ticket size, and (4) app download grew 3% at 10.9mn. Further, 20-minute delivery and Rs99/- lunch menu helped to increase footfall in dine-in. Gross margin declined by 30bp to 76.1%. Higher employee cost (+6.0%) and SG&A (+14.1%) led to post-INDAS EBITDA margins at 19.4% (-150bp). JUBI remained confident on store expansion and improving trend in LFL led by strong menu innovation. Management remain upbeat as it saw strong momentum in last 40 days which would continue in H2 as per our view. With lower H1, we tweak earnings and retain BUY with a revised SOTP-based TP of Rs713 (implying EV/EBITDA of 27x Sep FY27E).

#### Operational excellence, delivery fee waiver and menu innovation led to 2.8% LFL growth

Q2 JUBI's standalone revenue at Rs14.6bn grew +9.1% YoY led by (1) delivery channel sales/LFL grew by 15.9%/11.4% due to waiving off delivery fee, (2) brand campaign 'IHOP' driving strong footfall, (3) MAU at 12.8mn grew 18.5%, and (4) app download grew 3% at 10.9mn. Despite subdued consumption for QSRs with strong execution of strategic priorities, JUBI delivered resilient LFL growth at 2.8%. Further, 20-minute delivery and Rs99/- lunch menu helped to increase footfall in dine-in. Delivery LFL +11.4% and 2.8% growth in ADS increased to Rs80.2k while Dine-in sales cut by 5.6%. Dominos has maintained price stability over last nine quarters despite higher inflation through cost optimization and productivity initiatives. DPEU system sales at Rs7.7bn saw 6% lower LFL on a high base. COFFY system sales at Rs0.6bn with LFL decline of 3.9%. JUBI added 191 store to reach 2,079, Popeyes: 54, Dunkin: 32, Hong's: 34, Srilanka: 50, Bangladesh: 35, Turkey: 829, Azerbaijan: 10, Georgia: 7 with total stores at 3,130. JUBI remained confident to deliver improving LFL growth, yet maintained FY25 store guidance.

#### Despite higher inflation project Vijay helped to moderate decline in margin

JUBI's gross margin declined by 30bp to 76.1% due to higher RM prices whereas Pre -INDAS EBITDA margin came at 11.7%, lowered by 160bp. Overall company EBITDA grew marginally by 1.3% resulting in EBITDA margin at 19.4% (-150bp) YoY due to higher other expenses (+14.1%) and employee cost (+6.0%). Waiving off delivery fee impacted 150-170bp which is offset by higher packaging charges along with internal efficiencies. Management expects to deliver better margin H2FY25 led by operating leverage and better LFL growth. With 89.6% sales from franchise, DPEU EBITDA/PAT margin came in at 26.1%/10.5%. We expect DPEU's margins to improve further led by, (1) royalty fee, (2) store opening fees, and (3) sales from commissary.

#### Valuation and risks

As argued in our [QSR Thematic report](#), JUBI strategically consolidated its value accretive international business at opportune time. By leveraging DP Eurasia's growth potential and profitable COFFY brand to boost profitability and sustain long-term growth in our view. Moreover JUBI's rejuvenated approach to drive growth in Dominos' and chicken QSR segment (Popeyes), coupled with enhanced consumer experience in value segment could achieve positive LFL growth. Despite weak demand, incremental competition in pizza QSR, and rising inflation pose short-term challenges, we expect JUBI to defend its current margin. With lower 1HFY25, we cut earning for FY25E/FY26E by 25.8%/24.7% and retain BUY with a revised SOTP-based TP of Rs713 (implying EV/EBITDA of 27x Sep/FY27E). Key risks: prolonged weakness in demand, rising inflation in key RM/PM and severe competition in chicken portfolio.

#### Financial and valuation summary (Standalone)

YE Mar (Rs mn)	2QFY25A	2QFY24A	YoY (%)	1QFY25A	QoQ (%)	FY25E	FY26E	FY27E
Revenues	14,669	13,448	9.1	14,396	1.9	61,441	71,867	84,787
EBITDA	2,842	2,807	1.3	2,782	2.2	12,564	15,404	19,018
EBITDA margin (%)	19.4	20.9	(150bp)	19.3	5bp	20.4	21.4	22.4
Adj. Net profit	521	721	(27.8)	538	(3.2)	3,183	4,472	6,333
Adj. EPS (Rs)	0.8	1.1	(27.9)	0.8	(3.2)	4.8	6.8	9.6
EPS growth (%)						29.4	40.5	41.6
PE (x)						124.6	88.7	62.6
EV/EBITDA (x)						32.7	26.6	21.3
PBV (x)						16.7	14.9	12.6
RoE (%)						13.9	17.8	21.9
RoCE (%)						10.3	12.6	15.6

Source: Company, Centrum Broking

Please see Disclaimer for analyst certifications and all other important disclosures.

#### Result Update

India I Retail

11 November, 2024

#### BUY

Price: Rs602

Target Price: Rs713

Forecast return: 18%

Institutional Research

#### Market Data

Bloomberg:	JUBI IN
52 week H/L:	715/421
Market cap:	Rs397.2bn
Shares Outstanding:	659.8mn
Free float:	55.1%
Avg. daily vol. 3mth:	22,77,134
Source: Bloomberg	

#### Changes in the report

Rating:	Unchanged
Target price:	Rs713 from Rs780
EPS:	FY25E:Rs4.8, down by 25.8% FY26E:Rs6.8: down by 24.7%
Source: Centrum Broking	

#### Shareholding pattern

	Sep-24	Jun-24	Mar-24	Dec-23
Promoter	41.9	41.9	41.9	41.9
FIIIs	21.0	20.4	23.2	27.8
DIIIs	30.4	29.9	26.1	22.1
Public/other	6.7	7.8	8.8	8.2

Source: BSE

#### Centrum estimates vs Actual result (Consol.)

YE Mar (Rs mn)	Centrum Q2FY25	Actual Q2FY25	Variance (%)
Revenue	15,089	14,669	(2.8)
EBITDA	2,957	2,842	(3.9)
EBITDA margin %	19.6	19.4	(22 bps)
Other Income	79	150	117.9
Interest	630	640	19.9
Depreciation	1,593	1,654	19.9
PBT	814	698	(27.5)
Tax	205	177	(26.6)
Rep. PAT	609	521	(27.8)
Adj. PAT	609	521	(27.8)

Source: Bloomberg, Centrum Broking



**Shirish Pardeshi**

Research Analyst, Retail  
+91-22-4215 9634

shirish.pardeshi@centrum.co.in



**Soham Samanta**

Research Analyst, Retail  
+91-22-4215 9855

soham.samanta@centrum.co.in

**Nikhil Kamble**

Research Associate, Retail  
+91-22-4215 9771

nikhil.kamble@centrum.co.in

Retail

## Thesis Snapshot

### Estimate revision

YE Mar (Rs mn)	FY25E New	FY25E Old	% chg	FY26E New	FY26E Old	% chg
Revenue	61,442	62,731	(2.1)	71,867	73,813	(2.6)
EBITDA	12,564	14,045	(10.5)	15,404	17,334	(11.1)
EBITDA margin %	20.4	22.4	(195 bp)	21.4	23.5	(207 bp)
Adj. PAT	3,183	4,296	(25.9)	4,472	5,927	(24.5)
Diluted EPS (Rs)	4.8	6.5	(25.8)	6.8	9.0	(24.7)

Source: Centrum Broking

### Jubilant Foodworks versus NIFTY Midcap 100

	1m	6m	1 year
JUBI IN	(4.4)	30.1	18.6
NIFTY Midcap 100	(5.7)	12.8	37.1

Source: Bloomberg, NSE

### Key assumptions

Y/E Mar	FY25E	FY26E
No. of store –Dominos (India)	2,180	2,410
No. of store –Dominos (International)	770	820
Gross Margin%	76.8	76.9
EBITDA (%) (Post-INDAS)	21.4	22.4

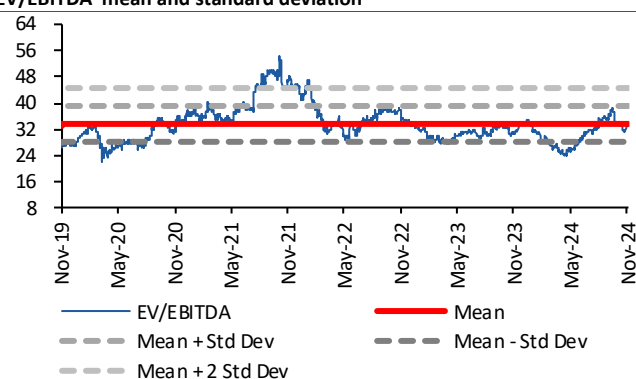
Source: Centrum Broking

### Valuations

As argued in our [QSR Thematic report](#), JUBI strategically consolidated its value accretive international business at opportune time. By leveraging DP Eurasia's growth potential and profitable COFFY brand to boost profitability and sustain long-term growth in our view. Moreover JUBI's rejuvenated approach to drive growth in Dominos' and chicken QSR segment (Popeyes), coupled with enhanced consumer experience in value segment could achieve positive LFL growth. Despite weak demand, incremental competition in pizza QSR, and rising inflation pose short-term challenges, we expect JUBI to defend its current margin. With lower 1HFY25, we cut earning for FY256E/FY26E by 25.8%/24.7% and retain BUY with a revised SOTP-based TP of Rs713 (implying EV/EBITDA of 27x Sep'FY27E). Key risks: prolonged weakness in demand, rising inflation in key RM/PM and severe competition in chicken portfolio..

Valuations	Sales	EBITDA	Multiple	Value
Standalone (Rs mn)		17,211	27.0	4,64,697
DP Eurasia (Rs mn)	20,202		2.0	40,404
SriLanka/Bangladesh/other	1,703		1.0	1,703
Total (Rs mn)				5,06,804
Net Debt (Rs mn)				36,094
Market Cap (Rs mn)				4,70,170
Shares o/s (mn)				660
TP (Rs)				713

#### EV/EBITDA mean and standard deviation



Source: Bloomberg, Centrum Broking

### Peer comparison

Company	Mkt Cap (Rs Bn)	CAGR (FY24-26E)			EV/EBITDA(x) Pre-INDAS			EV/EBITDA (x) - Post			RoE(%)		
		Sales	EBITDA	EPS	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Jubilant Foods	395.7	16.0	22.9	34.8	62.5	52.7	40.2	38.5	32.7	26.6	11.3	13.9	17.8
Devyani International	209.9	22.1	23.3	39.2	41.6	31.7	25.2	21.9	17.8	14.8	11.7	15.0	16.8
Westlife Foodworld	115.5	14.1	15.0	51.2	51.3	40.6	32.2	36.5	29.6	25.2	14.9	22.4	27.8
Sapphire Foods	100.7	17.3	19.8	73.8	34.1	26.1	19.6	20.1	15.7	12.0	6.6	11.2	15.7
RBA	44.5	21.6	29.1	N/A	33.2	24.0	18.3	14.7	11.3	8.9	(1.7)	1.1	2.3

Source: Company, Centrum Broking

**Exhibit 1: Key conference call takeaways and metrics**

Centrum Quarterly Monitor	Q1FY25	Q2FY25	Our Comments
<b>Demand environment</b>	No major improvement in demand environment, yet delivery fee waiver, store refurbishment, 20-minute delivery and saw additional 10%-12% footfall	Moderate demand improvement has been observed while declined in Dine –in continued	External factors affecting discretionary spending, yet operational excellence and multiple initiative saw increased footfall as JUBI improved its value proposition to drive consumption
<b>Outlook and guidance</b>	Management maintained store addition guidance and pace of store addition to accelerate post Q2	Management maintained store addition guidance and pace of store addition to accelerate post Q3	Though operating environment would improve, JUBI is not expecting any price hike in the near term
<b>Key interventions</b>	JUBI launched 4 course meal starting Rs. 99: Lunch Feast, cheese volcano for cheese lovers and Chillrz in the beverage segment	JUBI introduced several product innovation like Cheesiken (Fusion of Chicken, Cheese and Rice) in three southern states at Rs399 and Cheese Volcano at Rs299	Introduction of value layer likely to drive footfall, yet premiumization and entering into high margin chicken categories expected to lift AOV
<b>On margins and exceptional items</b>	JUBI's gross margin inched up to 76.1% (+8bp), led by project Vijay and channel mix, post-INDAS EBITDA margins at 19.3% (-178bp). DP Eurasia EBITDA/PAT margin came in at 25%/9.2%	JUBI's gross margin declined by 30bp to 76.1% due to higher rm prices whereas Pre –INDAS EBITDA margin came at 11.7%, lowered by 160bp	With deflationary raw material prices gross margin expected to remain stable yet elevated ad spend might check operating margins

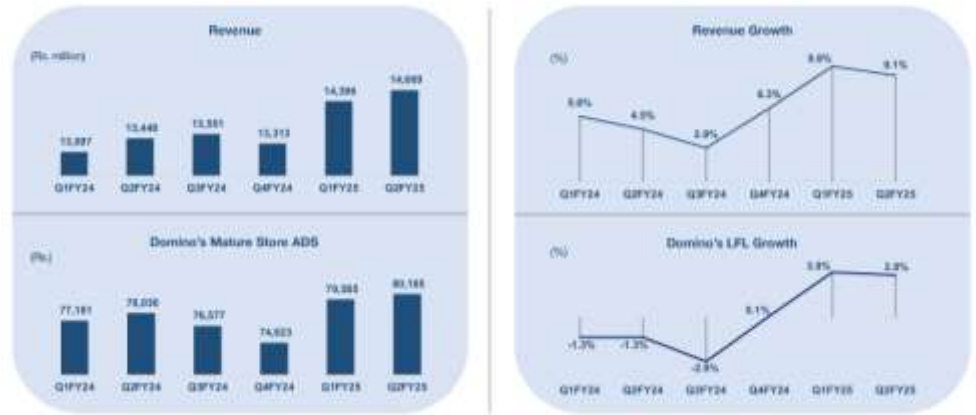
Source: Centrum Broking

## Conference call highlights

### Overview

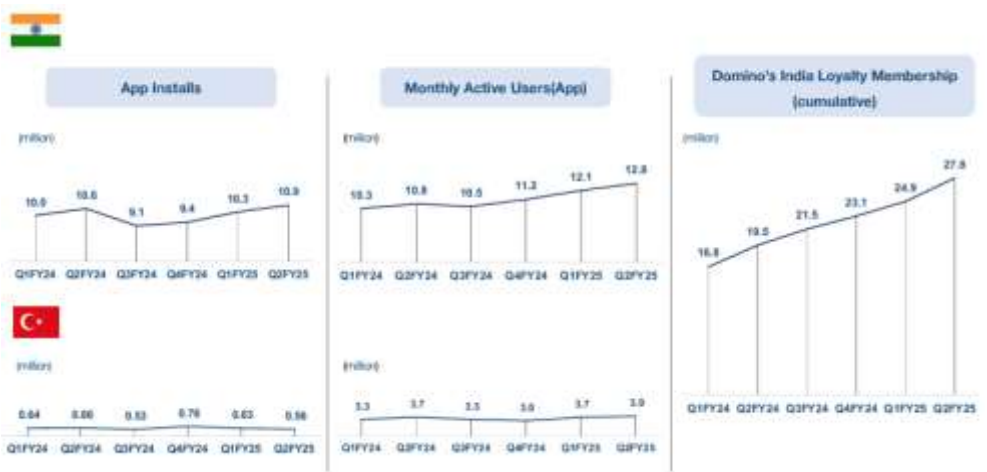
- Standalone revenues grew 9.1% to Rs14.6bn on account of increase in ADS along with higher LFL growth (+2.8% each) despite subdued consumer sentiment
- Consol. revenue increased 42.8% to Rs19.5bn led by 34% growth in DP Eurasia
- Overall delivery business has been growing while dine in has seen slow down though recent introduction of Rs99 helped to get footfall b/w 11 am to 3 pm
- Dunks and Hongs Kitchen growth were slower and management expects lower store addition in FY25
- Dominos India has added 50 new cities in last year while many of major cities has still left where ample of store expansion opportunity has left
- Management believes growth was driven by 1) speedy delivery (20 minutes), 2) continuous innovation on value meal and 3) waived off delivery fees
- Management has maintained price stability over last nine quarters despite higher inflation through cost optimization and productivity initiatives
- Strong momentum has been observed in last 40 days which has been encouraging for H2FY25 numbers
- Delivery wave has impacted 150-170bps which is offset by higher packaging charges along with internal efficiencies
- Dominos India business grew 7.8% to Rs10.7bn led by 20.2% order growth; added 70 stores on QoQ taking restaurant count to 2,079
- Dominos India LFL grew at 2.8% driven by Delivery LFL +11.4% and 2.8% growth in ADS increased to Rs80.2k
- Delivery channel revenue up by 15.9% backed by order led growth of 32.3%
- Dine-in channel revenues declined by 5.6% due to decline in ticket
- Delivery mix stood at 69.9% which was higher on YoY; similar trend has been observed across the globe
- JUBI introduced several product innovation like Cheesiken (Fusion of Chicken, Cheese and Rice) in three southern states at Rs399 and Cheese Volcano at Rs299
- Continued improvement in app resulted in record high MAUs (12.8mn, +18.5% yoy) with a loyalty membership base is 27.8mn
- Dunkin/Hong's Kitchen operates 32/34 stores across India
- DP Eurasia system sales reached at Rs7.7bn due to decline in LFL at 6.0% on the back of high base, COFFY system sales came at Rs0.6bn with LFL decline of 3.9%
- Dominos Bangladesh revenue declined by 5.3% while Sri Lanka increased by 33.6% during the same period
- JUBI added 191 store taking restaurant count to 2,199 (Domestic); India Dominos: 2,079, Popeyes: 54, Dunkin: 32, Hong's: 34,
- On International: Srilanka: 50, Bangladesh: 35, Turkey: 829, Azerbaijan: 10, Georgia: 7 with total stores at 3,130 (including international stores)

**Exhibit 2: Revenue growth was up by 9.1%**



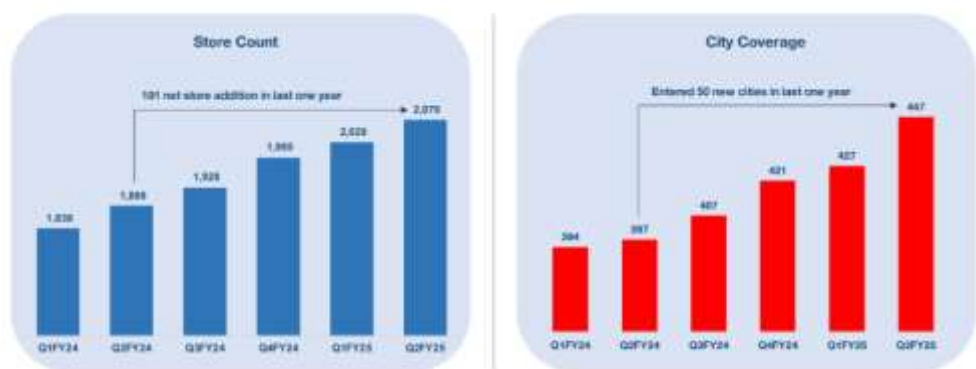
Source: Company

**Exhibit 3: Dominos digital metrics trend**



Source: Company

**Exhibit 4: Domino's India Network**

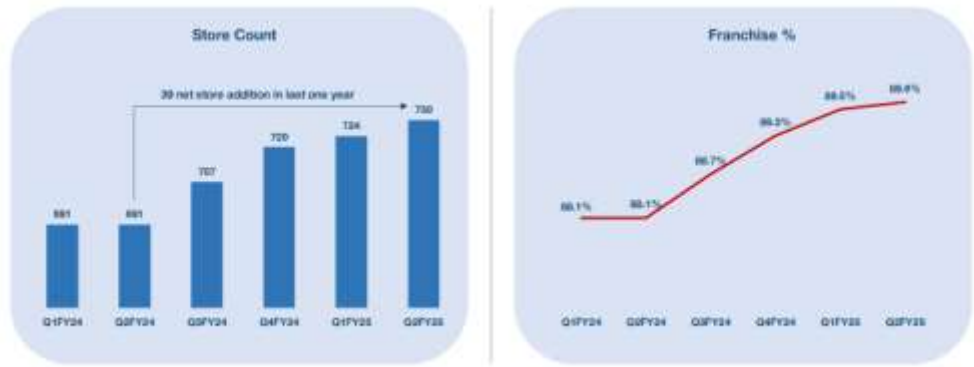


Source: Company

**International Segment**

- DP Eurasia system sales reached at Rs7.7bn due to decline in LFL at 6.0% on the back of high base, COFFY system sales came at Rs0.6bn with LFL decline of 3.9%
- Dominos Bangladesh revenue declined by 5.3% impacted temporary store closures amidst a challenging operating environment
- Sri Lanka increased by 33.6% led by Strategic store relocations, new product launches, and focused local initiatives led to a strong performance
- COFFY is on track to become 5<sup>th</sup> largest brand in Turkey with 116 stores
- DP Eurasia margin came at 26.1% with PAT margin of 10.5%

**Exhibit 5: Turkey store count**



Source: Company

**Margins**

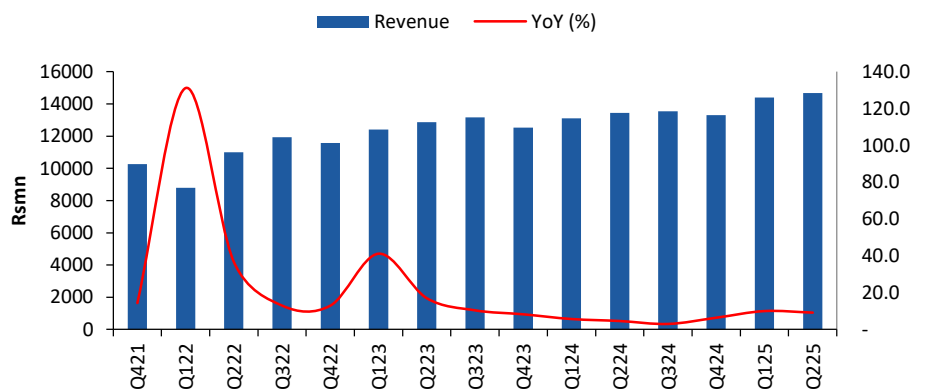
- Overall company gross margin declined by 30bp to 76.1% due to higher rm prices
- Pre –INDAS EBITDA margin came at 11.7%, lowered by 160bp
- Overall company EBITDA grew marginally by 1.3% resulting in EBITDA margin at 19.4% (-150bp) YoY due to higher other expenses (+14.1%) & employee cost (+6.0%)
- DP Eurasia margin came at 26.1% with PAT margin of 10.5%
- Rapid expansion of Popeyes continue with entry in new cities – 54 stores now serving consumers in 22 cities; launched Chicken Wings in 6 Flavors
- Adjusted PAT dropped by 27.8% to Rs521mn due to higher depreciation/interest exp. increased by 19.9% both

**Exhibit 6: Profitability Trends**



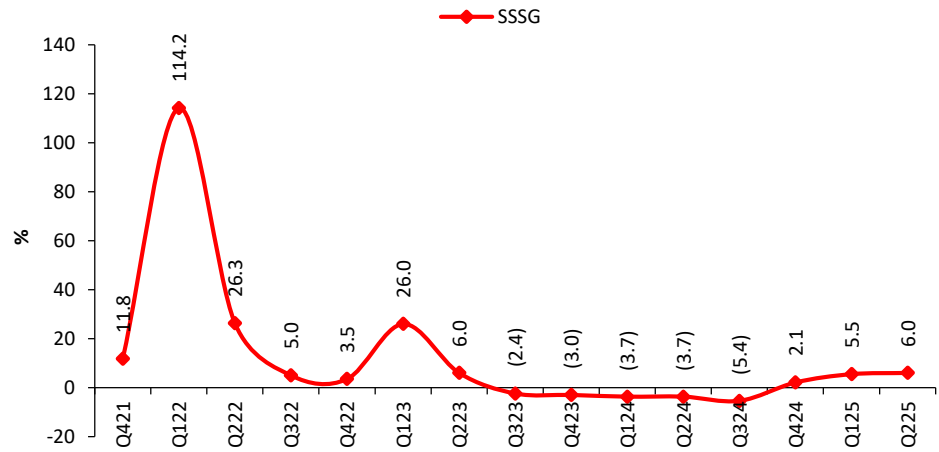
Source: Company

**Exhibit 7: Quarterly standalone. net revenue growth – YoY**



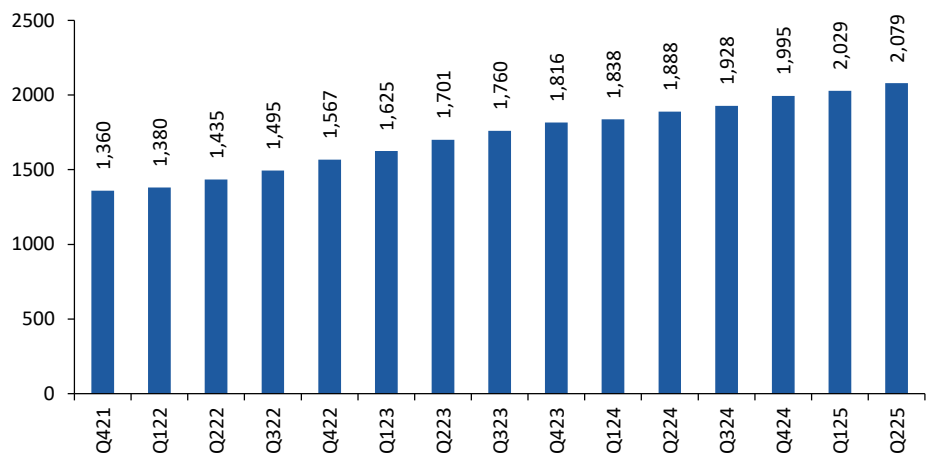
Source: Company Data, Centrum Broking

**Exhibit 8: Quarterly SSSG Trend**



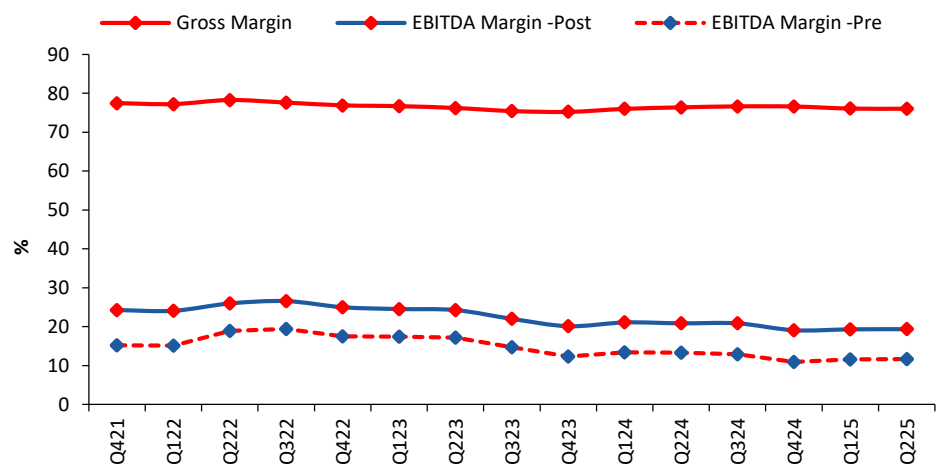
Source: Company Data, Centrum Broking

**Exhibit 9: No. of Dominos stores in India**



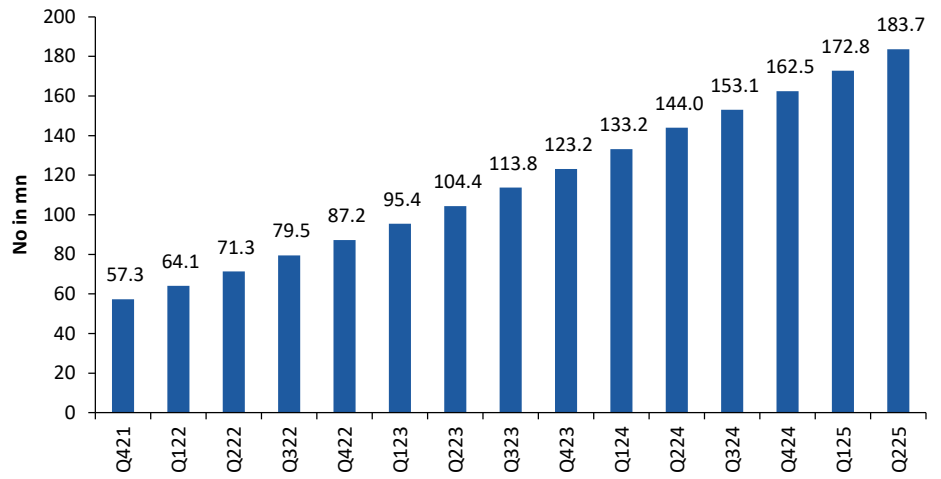
Source: Company Data, Centrum Broking

**Exhibit 10: Gross Margin, Pre & Post EBITDA trend**



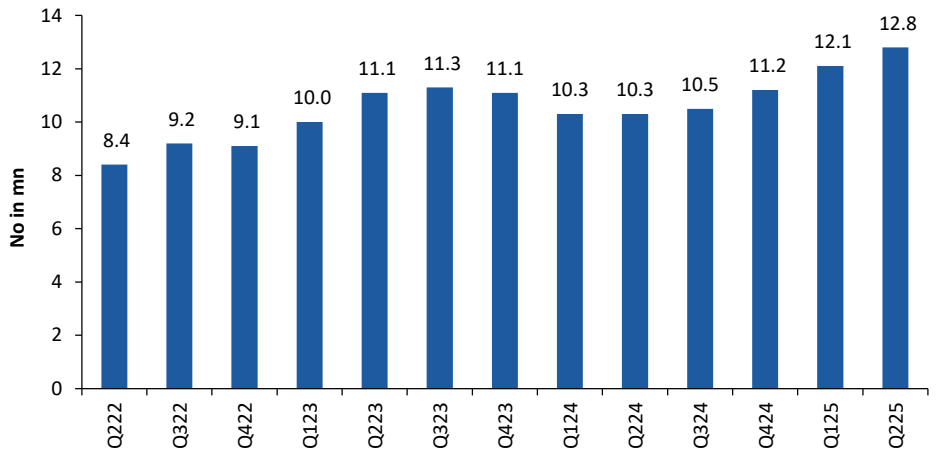
Source: Company Data, Centrum Broking

**Exhibit 11: Cumulative Downloads Trend**



Source: Company Data, Centrum Broking

**Exhibit 12: MAU increased sequentially**



Source: Company Data, Centrum Broking



**Exhibit 13: Quarterly financials (standalone)**

Particulars (Rs mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25
Net Sales	13,015	13,318	12,698	13,345	13,686	13,781	15,728	14,396	14,669
Cost of materials	(3,103)	(3,283)	(3,165)	(3,232)	(3,261)	(3,244)	(3,673)	(3,441)	(3,512)
Gross Profit	9,912	10,035	9,534	10,113	10,426	10,537	12,055	10,955	11,157
Employee Expenses	(2,297)	(2,465)	(2,219)	(2,527)	(2,594)	(2,598)	(2,869)	(2,562)	(2,688)
Other Exp	(6,793)	(7,170)	(7,043)	(7,355)	(7,654)	(7,736)	(8,951)	(5,611)	(5,627)
Operating Profit (Core EBITDA)	3,223	2,960	2,689	2,852	2,842	2,843	3,317	2,782	2,842
Depreciation	(1,146)	(1,326)	(1,315)	(1,357)	(1,419)	(1,515)	(1,689)	(1,552)	(1,654)
EBIT	2,076	1,634	1,373	1,494	1,424	1,327	1,628	1,230	1,188
Interest	(497)	(518)	(529)	(543)	(568)	(624)	(1,142)	(619)	(640)
Other Income	104	96	198	93	71	42	213	73	150
Profit Before Tax	1,580	1,116	844	951	855	703	486	684	698
Tax	(430)	(311)	(249)	(254)	(233)	(201)	(161)	(168)	(177)
Profit After Tax	1,150	805	596	697	622	502	325	516	521
<b>Growth YoY %</b>									
Net sales	16.9	10.3	8.2	5.6	4.5	2.9	6.3	9.9	9.1
EBITDA	9.3	(8.6)	(12.9)	(9.2)	(10.2)	(2.5)	0.8	0.7	1.3
EBIT	2.2	(26.1)	(33.5)	(28.0)	(28.7)	(15.0)	(16.8)	(14.3)	(16.8)
Adj PAT	(2.9)	(35.5)	(42.0)	(41.1)	(39.5)	(31.1)	(44.3)	(31.4)	(27.8)
<b>Margin (%)</b>									
Gross Margin	76.2	75.3	75.1	75.8	76.2	76.5	76.6	76.1	76.1
EBITDA	24.76	22.23	21.2	21.4	20.8	20.6	21.1	19.3	19.4
EBIT	15.95	12.27	10.8	11.2	10.4	9.6	10.3	8.5	8.1
Adj. PAT	8.84	6.04	4.7	5.2	4.5	3.6	2.1	3.6	3.5
<b>Like-for-Like Growth</b>	<b>8.4%</b>	<b>0.3%</b>	<b>-0.6%</b>	<b>-1.3%</b>	<b>-1.3%</b>	<b>-2.9%</b>	<b>0.1%</b>	<b>3.0%</b>	<b>2.8%</b>
<b>Store Count</b>	<b>Q2FY23</b>	<b>Q3FY23</b>	<b>Q4FY23</b>	<b>Q1FY24</b>	<b>Q2FY24</b>	<b>Q3FY24</b>	<b>Q4FY24</b>	<b>Q1FY25</b>	<b>Q2FY25</b>
Domino's	1,701	1,760	1,816	1,838	1,888	1,928	1,995	2,029	2,079
Popeyes	8	12	13	17	22	32	42	50	54
Dunkin	24	24	21	21	21	25	31	36	32
Hong's Kitchen	14	12	13	15	18	22	28	33	34
Ekdum	6	6							
<b>Domestic Stores</b>	<b>1,753</b>	<b>1,814</b>	<b>1,863</b>	<b>1,891</b>	<b>1,949</b>	<b>2,007</b>	<b>2,096</b>	<b>2,148</b>	<b>2,199</b>
Bangladesh/Srilanka	51	60	65	70	73	76	78	89	85
DP Eurasia	670	700	707	714	742	761	817	812	829
<b>Total store count</b>	<b>2,474</b>	<b>2,574</b>	<b>2,635</b>	<b>2,675</b>	<b>2,764</b>	<b>2,844</b>	<b>2,991</b>	<b>2,991</b>	<b>3,130</b>

Source: Company, Centrum Broking

P&L					
YE Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Revenues</b>	<b>50,960</b>	<b>53,408</b>	<b>61,441</b>	<b>71,867</b>	<b>84,787</b>
Operating Expense	12,272	12,591	15,576	18,050	21,128
Employee cost	8,896	9,914	12,165	13,870	15,686
Others	18,200	19,962	21,136	24,543	28,955
<b>EBITDA</b>	<b>11,592</b>	<b>10,941</b>	<b>12,564</b>	<b>15,404</b>	<b>19,018</b>
Depreciation & Amortisation	4,753	5,684	6,285	7,315	8,180
<b>EBIT</b>	<b>6,839</b>	<b>5,257</b>	<b>6,280</b>	<b>8,089</b>	<b>10,838</b>
Interest expenses	1,951	2,239	2,357	2,483	2,815
Other income	497	285	321	357	420
<b>PBT</b>	<b>5,385</b>	<b>3,303</b>	<b>4,244</b>	<b>5,963</b>	<b>8,443</b>
Taxes	1,356	844	1,061	1,491	2,111
Effective tax rate (%)	25.2	25.6	25.0	25.0	25.0
<b>PAT</b>	<b>4,029</b>	<b>2,459</b>	<b>3,183</b>	<b>4,472</b>	<b>6,333</b>
Minority/Associates	0	0	0	0	0
<b>Recurring PAT</b>	<b>4,029</b>	<b>2,459</b>	<b>3,183</b>	<b>4,472</b>	<b>6,333</b>
Extraordinary items	466	120	0	0	0
<b>Reported PAT</b>	<b>4,495</b>	<b>2,579</b>	<b>3,183</b>	<b>4,472</b>	<b>6,333</b>

Ratios					
YE Mar	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Growth (%)</b>					
Revenue	17.7	4.8	15.0	17.0	18.0
EBITDA	4.9	(5.6)	14.8	22.6	23.5
Adj. EPS	(9.5)	(39.0)	29.4	40.5	41.6
<b>Margins (%)</b>					
Gross	75.9	76.4	76.6	76.8	76.9
EBITDA	22.7	20.5	20.4	21.4	22.4
EBIT	13.4	9.8	10.2	11.3	12.8
Adjusted PAT	8.8	4.8	5.2	6.2	7.5
<b>Returns (%)</b>					
ROE	19.0	11.3	13.9	17.8	21.9
ROCE	13.1	8.9	10.3	12.6	15.6
ROIC	13.5	8.8	11.0	15.5	20.4
<b>Turnover (days)</b>					
Gross block turnover ratio (x)	0.9	0.8	0.9	0.9	1.0
Debtors	2	3	3	2	2
Inventory	49	63	59	48	48
Creditors	163	176	190	200	200
Net working capital	(8)	(21)	13	7	15
<b>Solvency (x)</b>					
Net debt-equity	1.0	1.1	0.6	0.5	0.3
Interest coverage ratio	5.9	4.9	5.3	6.2	6.8
Net debt/EBITDA	1.8	2.2	1.2	0.8	0.5
<b>Per share (Rs)</b>					
Adjusted EPS	6.1	3.7	4.8	6.8	9.6
BVPS	32.5	33.5	35.9	40.3	47.5
CEPS	13.3	12.3	14.3	17.9	22.0
DPS	1.2	1.2	2.0	2.0	2.0
Dividend payout (%)	17.6	30.7	41.5	29.5	20.8
<b>Valuation (x)</b>					
P/E	98.4	161.3	124.6	88.7	62.6
P/BV	18.5	17.9	16.7	14.9	12.6
EV/EBITDA	36.0	38.5	32.7	26.6	21.3
Dividend yield (%)	0.2	0.2	0.3	0.3	0.3

Source: Company, Centrum Broking

Balance sheet					
YE Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Equity share capital	1,320	1,320	1,320	1,320	1,320
Reserves & surplus	20,135	20,797	22,396	25,285	30,034
Shareholders fund	21,455	22,117	23,716	26,605	31,354
Minority Interest	0	0	0	0	0
Total debt	23,340	25,297	25,297	25,297	25,297
Non Current Liabilities	10	13	13	13	13
Def tax liab. (net)	0	0	0	0	0
<b>Total liabilities</b>	<b>44,804</b>	<b>47,426</b>	<b>49,025</b>	<b>51,914</b>	<b>56,663</b>
Gross block	57,453	67,821	69,757	78,957	87,857
Less: acc. Depreciation	(24,493)	(30,177)	(36,390)	(43,705)	(51,884)
Net block	32,961	37,644	33,367	35,252	35,973
Capital WIP	1,585	905	996	1,095	1,205
Net fixed assets	35,891	40,342	36,335	38,516	39,563
Non Current Assets	3,271	3,578	3,806	4,063	4,352
Investments	6,802	6,646	6,733	7,876	9,292
Inventories	1,703	2,630	2,020	2,363	2,788
Sundry debtors	331	584	320	374	441
Cash & Cash Equivalents	2,330	717	10,387	12,205	16,703
Loans & advances	1,235	974	1,263	1,328	1,405
Other current assets	943	946	955	965	975
Trade payables	5,579	6,531	8,417	9,845	11,615
Other current liab.	1,707	1,973	3,887	5,437	6,741
Provisions	416	486	491	496	501
Net current assets	(1,161)	(3,140)	2,151	1,458	3,455
<b>Total assets</b>	<b>44,804</b>	<b>47,426</b>	<b>49,025</b>	<b>51,914</b>	<b>56,663</b>

Cashflow					
YE Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Profit Before Tax	4,918	3,183	4,244	5,963	8,443
Depreciation & Amortisation	4,753	5,684	6,285	7,315	8,180
Net Interest	1,454	1,954	2,036	2,126	2,395
Net Change – WC	(83)	(378)	4,379	2,511	2,500
Direct taxes	(1,253)	(896)	(1,061)	(1,491)	(2,111)
<b>Net cash from operations</b>	<b>10,519</b>	<b>10,099</b>	<b>15,883</b>	<b>16,424</b>	<b>19,407</b>
Capital expenditure	(8,180)	(8,167)	(2,050)	(9,497)	(9,226)
Acquisitions, net	0	0	0	0	0
Investments	(155)	307	(88)	(1,143)	(1,416)
Others	2,338	1,574	93	100	131
<b>Net cash from investing</b>	<b>(5,997)</b>	<b>(6,286)</b>	<b>(2,045)</b>	<b>(10,539)</b>	<b>(10,512)</b>
<b>FCF</b>	<b>4,522</b>	<b>3,813</b>	<b>13,838</b>	<b>5,885</b>	<b>8,896</b>
Issue of share capital	78	0	0	0	0
Increase/(decrease) in debt	0	2,075	0	0	0
Dividend paid	(790)	(790)	(1,584)	(1,584)	(1,584)
Interest paid	(3,678)	(4,167)	(2,357)	(2,483)	(2,815)
Others	(82)	(594)	0	0	0
<b>Net cash from financing</b>	<b>(4,472)</b>	<b>(3,477)</b>	<b>(3,941)</b>	<b>(4,066)</b>	<b>(4,398)</b>
Net change in Cash	51	336	9,897	1,819	4,497

Source: Company, Centrum Broking

## Disclaimer

Centrum Broking Limited ("Centrum") is a full-service, Stock Broking Company and a member of The Stock Exchange, Mumbai (BSE) and National Stock Exchange of India Ltd. (NSE). Our holding company, Centrum Capital Ltd, is an investment banker and an underwriter of securities. As a group Centrum has Investment Banking, Advisory and other business relationships with a significant percentage of the companies covered by our Research Group. Our research professionals provide important inputs into the Group's Investment Banking and other business selection processes.

Recipients of this report should assume that our Group is seeking or may seek or will seek Investment Banking, advisory, project finance or other businesses and may receive commission, brokerage, fees or other compensation from the company or companies that are the subject of this material/report. Our Company and Group companies and their officers, directors and employees, including the analysts and others involved in the preparation or issuance of this material and their dependants, may on the date of this report or from, time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. Centrum or its affiliates do not own 1% or more in the equity of this company. Our sales people, dealers, traders and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. We may have earlier issued or may issue in future reports on the companies covered herein with recommendations/information inconsistent or different those made in this report. In reviewing this document, you should be aware that any or all of the foregoing, among other things, may give rise to or potential conflicts of interest. We and our Group may rely on information barriers, such as "Chinese Walls" to control the flow of information contained in one or more areas within us, or other areas, units, groups or affiliates of Centrum. Centrum or its affiliates do not make a market in the security of the company for which this report or any report was written. Further, Centrum or its affiliates did not make a market in the subject company's securities at the time that the research report was published.

This report is for information purposes only and this document/material should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities, and neither this document nor anything contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This document does not solicit any action based on the material contained herein. It is for the general information of the clients of Centrum. Though disseminated to clients simultaneously, not all clients may receive this report at the same time. Centrum will not treat recipients as clients by virtue of their receiving this report. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Similarly, this document does not have regard to the specific investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive this document. The securities discussed in this report may not be suitable for all investors. The securities described herein may not be eligible for sale in all jurisdictions or to all categories of investors. The countries in which the companies mentioned in this report are organized may have restrictions on investments, voting rights or dealings in securities by nationals of other countries. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Persons who may receive this document should consider and independently evaluate whether it is suitable for his/ her/their particular circumstances and, if necessary, seek professional/financial advice. Any such person shall be responsible for conducting his/her/their own investigation and analysis of the information contained or referred to in this document and of evaluating the merits and risks involved in the securities forming the subject matter of this document.

The projections and forecasts described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. Projections and forecasts are necessarily speculative in nature, and it can be expected that one or more of the estimates on which the projections and forecasts were based will not materialize or will vary significantly from actual results, and such variances will likely increase over time. All projections and forecasts described in this report have been prepared solely by the authors of this report independently of the Company. These projections and forecasts were not prepared with a view toward compliance with published guidelines or generally accepted accounting principles. No independent accountants have expressed an opinion or any other form of assurance on these projections or forecasts. You should not regard the inclusion of the projections and forecasts described herein as a representation or warranty by or on behalf of the Company, Centrum, the authors of this report or any other person that these projections or forecasts or their underlying assumptions will be achieved. For these reasons, you should only consider the projections and forecasts described in this report after carefully evaluating all of the information in this report, including the assumptions underlying such projections and forecasts.

The price and value of the investments referred to in this document/material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. Future returns are not guaranteed and a loss of original capital may occur. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Centrum does not provide tax advice to its clients, and all investors are strongly advised to consult regarding any potential investment. Centrum and its affiliates accept no liabilities for any loss or damage of any kind arising out of the use of this report. Foreign currencies denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies effectively assume currency risk. Certain transactions including those involving futures, options, and other derivatives as well as non-investment-grade securities give rise to substantial risk and are not suitable for all investors. Please ensure that you have read and understood the current risk disclosure documents before entering into any derivative transactions.

This report/document has been prepared by Centrum, based upon information available to the public and sources, believed to be reliable. No representation or warranty, express or implied is made that it is accurate or complete. Centrum has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed. The opinions expressed in this document/material are subject to change without notice and have no obligation to tell you when opinions or information in this report change.

This report or recommendations or information contained herein do/does not constitute or purport to constitute investment advice in publicly accessible media and should not be reproduced, transmitted or published by the recipient. The report is for the use and consumption of the recipient only. This publication may not be distributed to the public used by the public media without the express written consent of Centrum. This report or any portion hereof may not be printed, sold or distributed without the written consent of Centrum.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. "Investment in securities market are subject to market risks. Read all the related documents carefully before investing."

The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Neither Centrum nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information.

This document does not constitute an offer or invitation to subscribe for or purchase or deal in any securities and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. This document is strictly confidential and is being furnished to you solely for your information, may not be distributed to the press or other media and may not be reproduced or redistributed to any other person. The distribution of this report in other jurisdictions may be restricted by law and persons into whose possession this report comes should inform themselves about, and observe any such restrictions. By accepting this report, you agree to be bound by the foregoing limitations. No representation is made that this report is accurate or complete.

The opinions and projections expressed herein are entirely those of the author and are given as part of the normal research activity of Centrum Broking and are given as of this date and are subject to change without notice. Any opinion estimate or projection herein constitutes a view as of the date of this report and there can be no assurance that future results or events will be consistent with any such opinions, estimate or projection.

This document has not been prepared by or in conjunction with or on behalf of or at the instigation of, or by arrangement with the company or any of its directors or any other person. Information in this document must not be relied upon as having been authorized or approved by the company or its directors or any other person. Any opinions and projections contained herein are entirely those of the authors. None of the company or its directors or any other person accepts any liability whatsoever for any loss arising from any use of this document or its contents or otherwise arising in connection therewith.

Centrum and its affiliates have not managed or co-managed a public offering for the subject company in the preceding twelve months. Centrum and affiliates have not received compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for service in respect of public offerings, corporate finance, debt restructuring, investment banking or other advisory services in a merger/acquisition or some other sort of specific transaction.

As per the declarations given by them, Mr. Shirish Pardeshi, Mr. Soham Samanta, Mr. Nikhil Kamble, research analyst and and/or any of their family members do not serve as an officer, director or any way connected to the company/companies mentioned in this report. Further, as declared by them, they were not received any compensation from the above companies in the preceding twelve months. They do not hold any shares by them or through their relatives or in case if holds the shares then will not to do any transactions in the said scrip for 30 days from the date of release such report. Our entire research professionals are our employees and are paid a salary. They do not have any other material conflict of interest of the research analyst or member of which the research analyst knows of has reason to know at the time of publication of the research report or at the time of the public appearance.

While we would endeavour to update the information herein on a reasonable basis, Centrum, its associated companies, their directors and employees are under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Centrum from doing so.

Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or Centrum policies, in circumstances where Centrum is acting in an advisory capacity to this company, or any certain other circumstances.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Centrum Broking Limited or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market.

**Ratings definitions**

Our ratings denote the following 12-month forecast returns:

Buy – The stock is expected to return above 15%.

Add – The stock is expected to return 5-15%.

Reduce – The stock is expected to deliver -5--5% returns.

Sell – The stock is expected to deliver <-5% returns.

**Jubilant Foodworks**



Source: Bloomberg

**Disclosure of Interest Statement**

1	Business activities of Centrum Broking Limited (CBL)	Centrum Broking Limited (hereinafter referred to as "CBL") is a registered member of NSE (Cash, F&O and Currency Derivatives Segments), MCX-SX (Currency Derivatives Segment) and BSE (Cash segment), Depository Participant of CDSL and a SEBI registered Portfolio Manager.
2	Details of Disciplinary History of CBL	CBL has not been debarred/ suspended by SEBI or any other regulatory authority from accessing /dealing in securities market.
3	Registration status of CBL:	CBL is registered with SEBI as a Research Analyst (SEBI Registration No. INH000001469)
		<b>Jubilant Foodworks</b>
4	Whether Research analyst's or relatives' have any financial interest in the subject company and nature of such financial interest	No
5	Whether Research analyst or relatives have actual / beneficial ownership of 1% or more in securities of the subject company at the end of the month immediately preceding the date of publication of the document.	No
6	Whether the research analyst or his relatives has any other material conflict of interest	No
7	Whether research analyst has received any compensation from the subject company in the past 12 months and nature of products / services for which such compensation is received	No
8	Whether the Research Analyst has received any compensation or any other benefits from the subject company or third party in connection with the research report	No
9	Whether Research Analysts has served as an officer, director or employee of the subject company	No
10	Whether the Research Analyst has been engaged in market making activity of the subject company.	No
11	Whether it or its associates have managed or co-managed public offering of securities for the subject company in the past twelve months;	No
12	Whether it or its associates have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months;	No
13	Whether it or its associates have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months;	No

**Member (NSE and BSE). Member MSEI (Inactive)**

Single SEBI Regn. No.: INZ000205331

**Depository Participant (DP)**

CDSL DP ID: 120 – 12200

Single SEBI Regn. No.: IN-DP-537-2020

PORTFOLIO MANAGER

SEBI REGN NO.: INP000004383

Research Analyst

SEBI Registration No. INH000001469

Mutual Fund Distributor

AMFI REGN No. ARN- 147569

Website: www.centrumbroking.com

Investor Grievance Email ID: investor.grievances@centrum.co.in

**Compliance Officer Details:**

Ajay S Bendkhale

(022) 4215 9000/9023; Email ID: compliance@centrum.co.in

**Centrum Broking Ltd. (CIN :U67120MH1994PLC078125)****Registered and Corporate Office:**

Level -9, Centrum House, C.S.T. Road,

Vidyanagari Marg, Kalina,

Santacruz (East) Mumbai – 400098

Tel.: - +91 22 4215 9000