

## Jubilant Foodworks (JUBI) - ADD

### Result Update

Current Market Price (CMP)  
**Rs. 3651**

Target Price  
**Rs. 4200**

**Our fair value of Rs 4200 offers upside of 15.0% from current market price.**

### Rationale:

- JUBI's Q2 print was broadly on expected lines.
- JUBI is progressing in its transition into a multi-brand Quick Service Restaurant.
- We expect earnings to grow by 54.2% in FY23E & grow by 22.2% in FY24E.
- Stock is currently trading at valuation of 52.4x P/E FY24E EPS.
- We downgrade a notch to ADD from BUY in view of strong stock performance.

### Q2FY22 Earnings Update:

#### **Positives:**

- There was 100 bps qoq improvement in Gross Margin to 78.3% (KIE 76.5%).
- JUBI added 55 new Domino's restaurants & forayed into 9 new cities.
- JUBI continues to focus on higher adoption of digital assets.
- We expect JUBI to ramp-up Popeyes & Hong's Kitchen from FY23E.

#### **Negatives:**

- Revenues were up 39% yoy to Rs1116 cr, 3% below estimate.
- Same-store sales growth stood at 26.3 % yoy, marginally lower than expected.

[Click here](#)

For detailed report dated 21st Oct 2021. Note: CMP & valuation may Click here differ due to difference in dates



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