

Pick of the week

Jubilant Foodworks (JUBI)

Recommendation: **ADD**

Current Price: ₹533

Potential Upside: **15.4%**

Date: **27th June 2022**

Time Period: **12 Months**

Target Price: ₹615

Why invest?

- JUBI is progressing well in its transition into a multi-brand Quick Service Restaurant.
- JUBI continues to focus on higher adoption of digital assets.
- Sameer Khetarpal from Amazon India (ex-McKinsey) is the next MD & CEO.
- Guidance of 250 new Domino's stores in FY23E is ahead of expectations.
- Raw material inflation offset by price increase and productivity gains.
- Management also noted that price hikes have not impacted demand as Domino's still remains the most affordable pizza brand in the country.
- We expect earnings to grow by 28.0% in FY23E & grow by 17.9% in FY24E.
- Our Fair Value of Rs615 is based Rs535 from Domino's (49X Jun-24E PE, ex-Ind-AS 116) + option value of Rs80 from new brands/ investment.