

Equity Research Report

Jubilant FoodWorks Ltd.

About the Company

Jubilant FoodWorks Ltd. (hereinafter referred to as “JUBI” or “the Company”) is India’s largest food service company headquartered in Noida, Uttar Pradesh. The company was incorporated in 1995 and holds a master franchise of Domino’s Pizza Inc., Dunkin’ Donuts, and Popeyes and operates in India, Bangladesh, Sri Lanka, and Nepal and Hong’s Kitchen only in India. JUBI is an Omnichannel or multichannel company.

The company decided to scale down the operations of two brands – “ChefBoss” and “Ekdum!”. The company operates 2,022 stores in total out of which 1,949 stores are located in India and comprises 1,888 Domino’s stores in 397 cities. The company has tied up with IRCTC and provides hot pizzas to customers on the train and the service is currently available in 143 railway stations. JUBI introduced an all-new Domino’s Pizza Mania range comprising four pizzas with two new sauces - Desi Makhani and Videshi (Hot and sweet) The company is the first QSR company to launch a regional menu (for East India) for customers. JUBI generates 72.9% from Pizza, 23.8% from others, and 3.2% from Beverages.

In the inflationary environment, JUBI has achieved its operational excellence through the deployment of multiple techniques of Project Vijay. The company is focusing on enhancing the technology with the help of efficient apps and initiatives like the *Cheesy Rewards Program* to attract customers and also providing them value with an affordable price range of pizzas from Rs. 49 to Rs. 179 and able to maintain Industry leading margins.

Brief Overview

The company has posted a topline growth of 2.6% in Q2FY24 (-110bps QoQ) due to the demand pressure of competitors in the pizza segment and inflation level at an elevated level due to high prices of cheese and vegetables. JUBI is investing in the long term by 1) Reimaging stores with a target of 100+ stores till the end of FY24. 2) Investment in the commissary with lower capex. 3) Retaining the existing customers. 4) Gradual expansion in Popeyes and Hong’s Kitchen. The Dine-in format gave a negative growth due to the closure of stores for re-imagination. Margins are under pressure as there is no increase in the EBITDA margin guided by the management in the last quarter (Q1FY24).

The stock currently trades at a P/E of 155.9x with a median P/E of 90.3x. With an increase in EPS to 6.2 and P/E to 77.4x (consensus basis). The price is expected to reach XXX.XX.

Key Highlights

- Industry-leading margins of 76.4% QoQ basis in Q2FY24 and 75.3% YoY basis was achieved in FY23 without any price hike and the company was able to offset the inflation of vegetables in Q2FY24 by deploying strategies from Project Vijay.
- The Ticket size has started to grow from the last 2 quarters and ADS has also improved to Rs. 81,658, up by 1.4% in Q2FY24.
- JUBI is aiming to grow the network of Domino’s stores to 3,000 in the medium term from 1,888 stores.
- JUBI has been able to limit LFL growth of -1.3% from last quarter.
- JUBI has set a target of reimaging 100+ stores by FY24.
- The company has given guidance to open 30 new Popeyes stores and 11 out of 21 restaurants are now in the coffee-first format.
- The company has made adjustments in the regional management structure which will bolster the operations and JUBI has given guidance that in the near term, margins will be gained from the operating leverage.

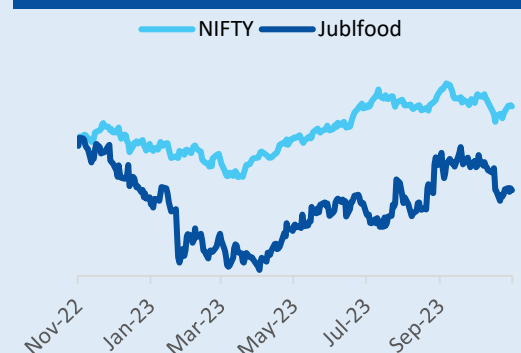


Recommendation	: Hold
CMP	: INR 507.5
Target Price	: INR 535

Stock Data (as on Nov 10, 2023)

NIFTY (INR)	: 19,443.5
52 Weeks H/L (INR)	: 570.7 / 412.1
Market Cap (INR Crs.)	: 33,391
O/s Shares (Crs.)	: 66.1
Dividend Yield (%)	: 0.23%
NSE Code	: JUBLFOOD

Relative Stock Performance – 1Y



Absolute Returns

1 Year	: -8.4%
3 Years	: 13.2%
5 Years	: 133.1%

Shareholding Pattern (as on Sep 30, 2023)

Promoters	: 41.9%
FII	: 26.1%
DII	: 22.4%
Public	: 9.4%
Others	: 0.2%

Financial Summary

In INR Crs.	FY23A	FY24E	FY25E
Net Revenue	5,158.0	5,764.1	6,685.4
YoY Growth (%)	17.0%	11.7%	16.0%
EBITDA	1,136.0	1,269.2	1,532.0
EBITDA (%)	22.0%	22.0%	22.9%
PAT	353.0	405.0	545.8
YoY Growth (%)	-16.0%	14.7%	34.8%
EPS (in INR)	5.4	6.2	8.3
ROE	17.7%	17.2%	21.8%
EV/EBITDA	27.6x	27.2x	22.1x

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Guided by: Parth Verma (The Valuation School)

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Global Economy

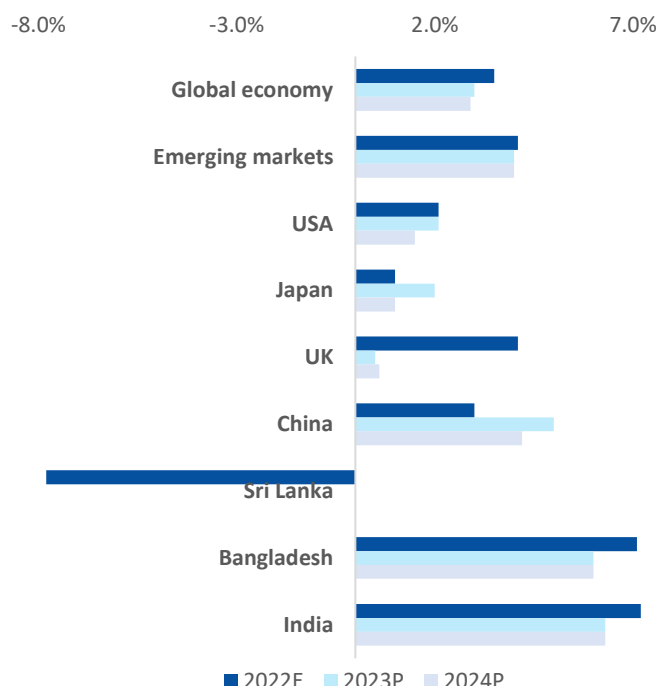
The global economy has been impacted by a series of overlapping crises over the past 3 years viz. COVID-19, the Russia-Ukraine war, and now the Israel-Gaza war. Because of this global unrest, prices rose substantially in energy, oil, and other commodity markets.

The global economy proved more resilient than expected. Inflation has been brought under control by tightening the monetary policies by the Central Banks. In Emerging economies, the process of lowering inflation appears to be more advanced. The Banking crisis and debt-ceiling crisis raised concerns over the macroeconomic stability but the risks are balanced as banking sector stress has lowered but they remain tilted. The global economic growth is estimated at 3.0% in CY23 when compared to 3.5% in CY22, and in CY24 it is expected to grow at 2.9%. Advanced Economies grew at 2.6% in CY22 and estimated at 1.5% in CY23 and estimated to rise to 1.4% in CY24. The emerging market and developing economies are projected to grow to 4.0% in CY 2023 and 4.0% in CY 2024.

Sri Lanka's GDP lowered to -7.8% in 2022 due to problematic macroeconomic conditions viz. high inflation, debt crisis, and depletion of forex reserves. Bangladesh grew at a faster pace of 7.1% in CY22 and 6.0% is projected for both CY23 and CY24.

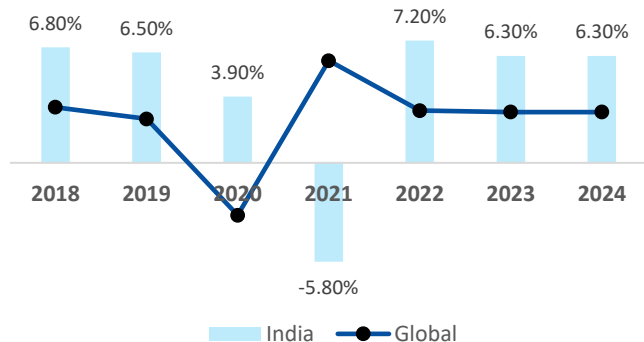
Source: IMF, WEO, OECD, Company MD & Analysis

Global GDP growth projection (%)

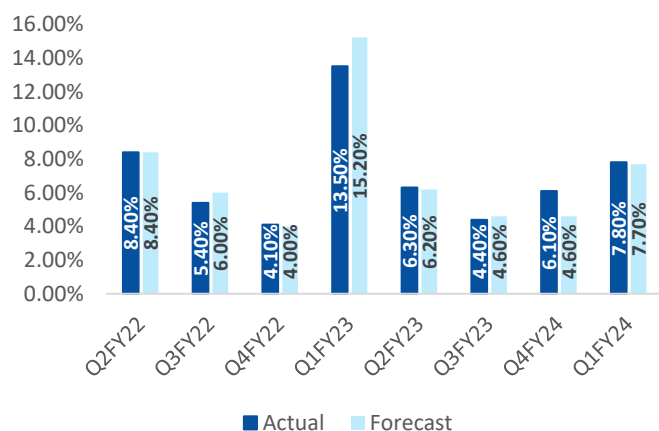


Source: IMF, WEO

India vs Global GDP growth (%)



India GDP Quaterly Growth - Actual vs Projected



Source: IMF, WEO, Investing.com

Indian Economy

India continues to show resilience against the challenging environment and real GDP grew by 7.2% in FY23 which was above the global average of 3.5% and the second highest among G20 countries and almost twice the average of emerging economies. India's GDP is projected to grow at 6.3% in FY24. The resilience was supported by private consumption, exports, strong public infrastructure investments, and a strengthening financial sector. Bank credit growth increased to 15.8% in the first quarter of FY24 compared with 13.3% in the first quarter of FY23.

Inflation exceeded the tolerance band of the RBI driven by food and energy prices but it was controlled by the central bank and government by raising the repo rate which helped to lower the Consumer Price Index (CPI) to 4.70% in April 2023 from 7.79% in April 2022. The Union Budget 2023-24 estimates a fiscal deficit of 5.9% in FY 2023-24 which will increase demand and Efficiency and the government is aiming to reduce it to 4.5% of GDP by FY26. About 35% to 40% of India's crude oil imports came from Russia during April-June 2023, a rise from less than 5 percent before the war in Ukraine. While India's oil exports (mostly petroleum products) are small relative to its oil imports (mostly crude oil), India increased its oil exports to the European Union significantly.

India has retained its position as the fifth largest economy and will reach the third position by 2030 as projected.

Source: IMF, The World Bank, Company M&D Analysis

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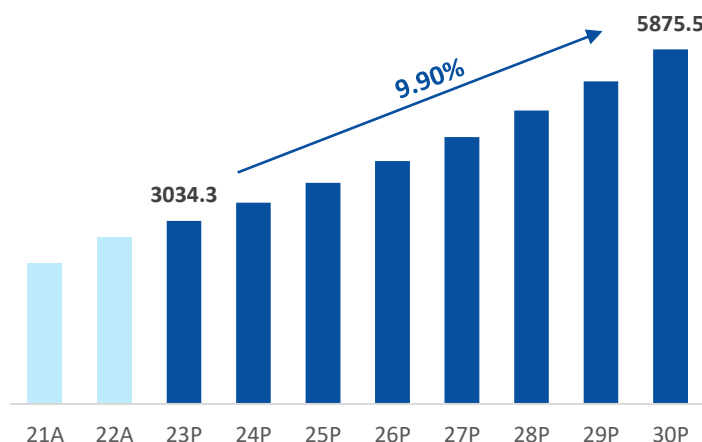
Global Food Service Industry

The global food service market is valued at \$3,034.4 Bn in 2023 and is expected to grow at a CAGR of 9.9% between 2023 – 2030 amounting to \$5,875.5 Bn in 2033. The changing consumer preferences and lifestyles, the development of e-commerce/online platforms and on-the-go food services, rising disposable incomes, and the growing focus on health represent some of the key factors driving the market. In the UK, a study was carried out in 2021 in which they found that 23% of millennials and 22% of Gen-Z were impacted by social media while ordering food.

China is likely to become a significant consideration in the overall industry with a double-digit CAGR. The Asia-Pacific region population is significantly and rapidly growing resulting in a substantial consumer base with diverse dining preferences and tastes. The consumer preferences for healthier and cleaner food, and restaurants are now catering to this particular market by expanding their menu range to more organic and vegan-friendly options amongst other amazing innovations vegan-friendly

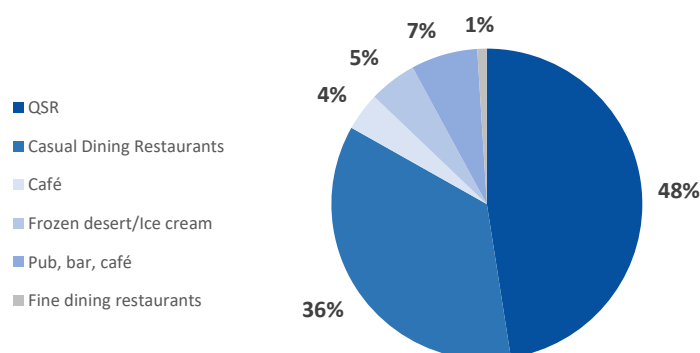
Source: FMI, RM and multiple reports

Global Food service Industry Growth (USD Bn)

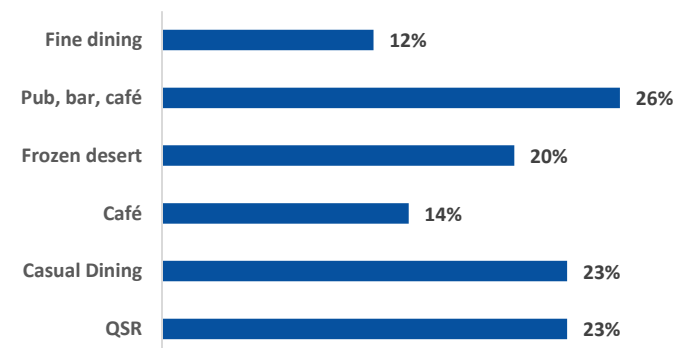


Source: Vantage MR, Global Data, Multiple Reports

Chain Food Services Projected Market share (FY27)



Chain Food Services Growth from FY20 - FY27 (%)



Source: Company's MD & Analysis

Indian Food Service Industry

The Indian Food service industry was disrupted by COVID-19 which made a huge impact on the industry. The industry is projected to have robust growth and will reach a staggering \$79.65 Bn by FY28 with a CAGR of 11.16% from \$42.5 Bn in FY23. The organized market grew faster than the unorganized and the online ordering channels also grew at a faster pace. Organized chains account for approx. 9% of the Food services market. The online food delivery market is expected to grow to \$29.33 billion by the end of 2028, growing at a CAGR of 33.0% between 2022- 2027.

Indian food service companies are likely to invest 4% - 6% of their net revenue into marketing of which 45% is online and digital media marketing. The organized chain market under the organized food services market is expected to grow at 23% till FY27 and the unorganized market is expected to grow at approx. 4% till FY27. The organized market is expected to reach \$37 billion by 2025.

With the rising population, urbanization will cover 40.0% of the total population till FY30, India's per capita income is predicted to reach INR 14.9 lakhs in FY47 from INR 2 lakhs in FY23, 65% of the young population and digitalization and increase in the smartphone users are some of the key drivers for the upliftment of the Indian food service industry and especially for the organized market. The food services industry is expected to employ one crore people by 2025.

Source: Research and Markets, Business standard, Company M&D Analysis

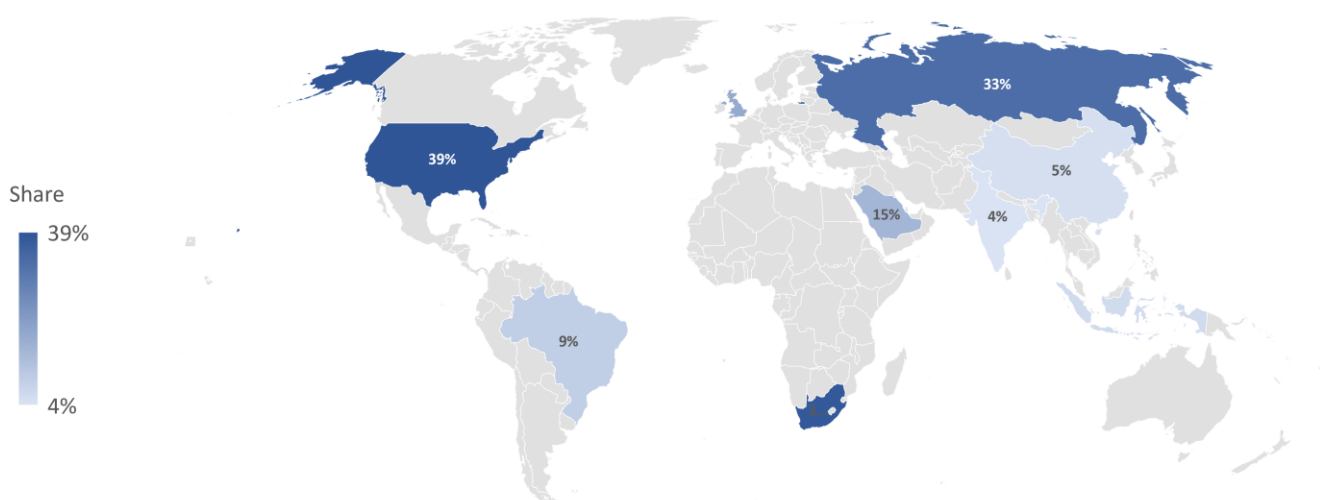
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Global QSR Industry

The global fast food and QSR market is expected to grow from \$273.20 Bn in 2022 to \$292.87 Bn in 2023 at 7.2% CAGR and it is expected to reach \$443.15 Bn in 2030 at 6.1% CAGR. The Russia-Ukraine war disrupted the global economy after the COVID-19 pandemic, the war led to economic sanctions, an increase in commodity prices, and supply chain disruptions, affecting the overall globe but people were more focused on ordering online as people were avoiding going to restaurants.

Major companies operating in the QSR chain are more focused on developing new solutions to maintain their position. North America was the largest region in the QSR market in 2022. Asia-Pacific is expected to be the fastest-growing region in the forecast period. According to the International Conference on Financial Innovation and Economic Development and American Catering Association statistics (2022), Out of 5536 transactions, 90% of consumers like to go to restaurants, 44% of consumers ordered takeout through restaurant apps or websites in the past year, and 22% prefer restaurants with Internet services.

Share of Chain QSR to Total Food Services (%)



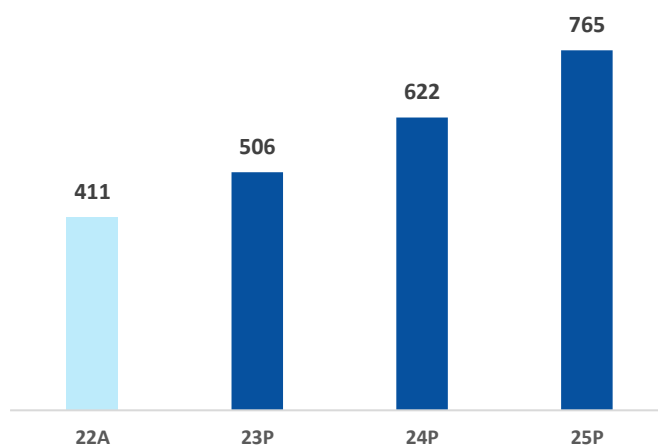
Source: Yahoo Finance, RM, DSP and multiple reports

Indian QSR Industry

The QSR market in India was valued at approx. INR 411 bn in FY2022 and is expected to reach INR 765 bn by FY2025. The QSR chain market is expected to be the fastest-growing sub-segment in the entire Indian food service market, India's quick service restaurant industry is likely to witness 20-25% growth in the current financial year supported by demand uptrend and increasing penetration driven by a rapid expansion of stores. The estimated CAGR is 23% between FY20 and FY25.

ICRA estimates that the top five players in the domestic quick-service restaurant industry are likely to add an estimated capex of around Rs 5,800 crore (excluding refurbishment) between the FY2023-FY2025 period, twice that of the levels seen during the pre-Covid era. India's chained QSR per capita consumption is also low compared to other emerging markets giving it large headroom for growth in coming decades. India's share of domestic consumption, measured as private final consumption expenditure, in its GDP, was approx.60% in FY'23. India has been a consumption-led economy for multiple decades, which is unlikely to change over the next few decades.

Projected Growth of QSR Industry (INR bn)



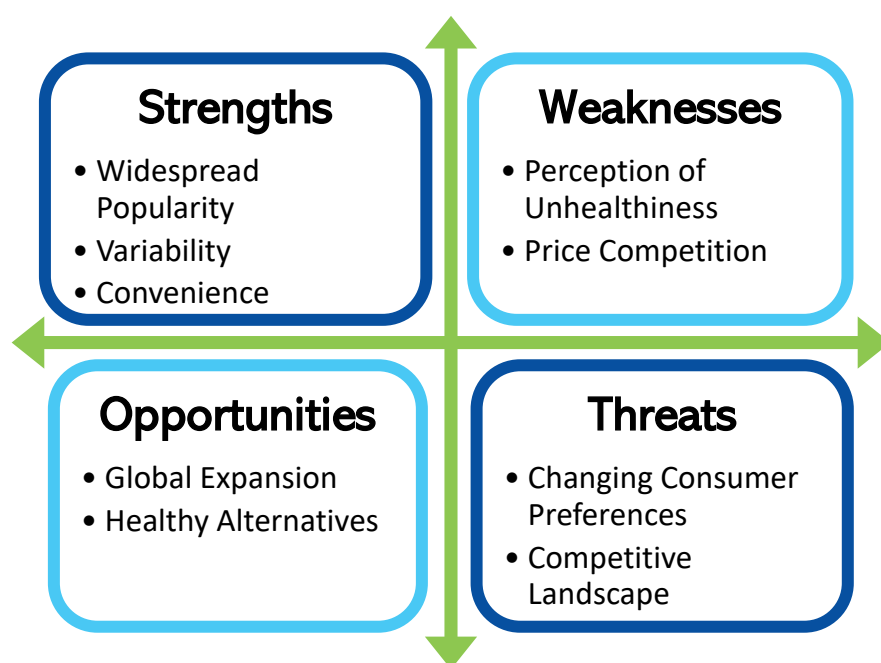
Source: Economic Times, ICRA, BS, Company M&D Analysis

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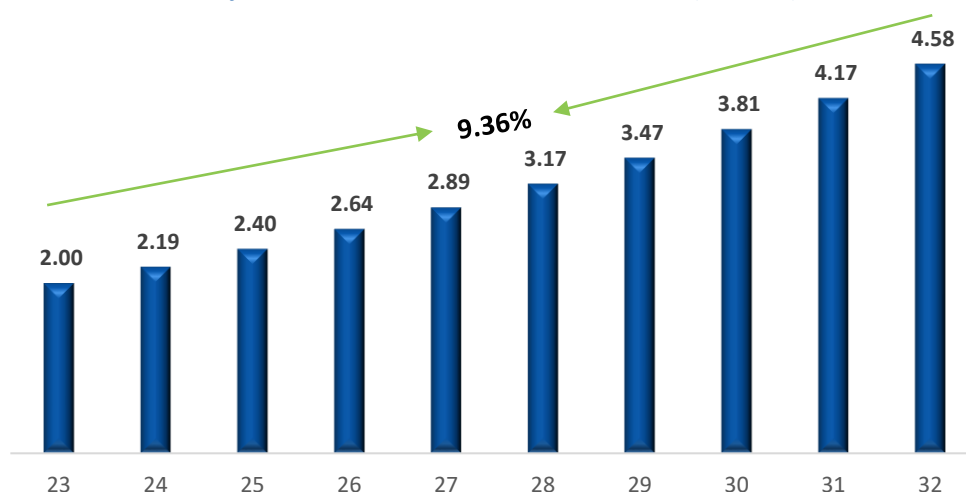
Indian Pizza Market

The Indian pizza market is nearly \$2.00 bn and is projected to grow at 9.63% during 2024-2032. The growing number of manufacturers financing promotional activities, increasing adoption of Western dietary habits, and the expansion of pizza chains are driving the market. Key players operating in the country are focusing on aggressive marketing campaigns, such as celebrity endorsements and advertisements on social media platforms, to expand their market reach and increase overall profitability. Continuously innovating their menus and presenting local flavors and ingredients, affordable pricing options, discount offers, and value meals to attract Indian consumers who are cost-conscious can be seen. An increasing number of people relying on mobile applications and online ordering systems with the convenience of home delivery and takeaway options are supporting the market growth in India, especially after COVID-19. Cities like Ahmedabad and Surat ordered over 1,30,766 and 61,122 pizzas respectively.

SWOT ANALYSIS OF PIZZA MARKET IN INDIA



Projected Growth of Indian Pizza Market (USD bn)



Source: IMARC, Market wide research and Multiple reports

Jubilant FoodWorks Ltd.

Concall Analysis – Q1FY24

■ Financial Results:

- Consolidated Revenue for the recent quarter was INR 13.7 bn (2.6% growth) and INR 13.3 bn in Q1FY24 and management has guided **15% YoY sales growth** in the medium term. Dine-in channel revenue lower by
- The Gross Margin for Q2FY24 came at 76.2% with an increase of 40bps compared to 75.8% in Q1FY24 without effecting any price hike and were able to more than offset the impact of high inflation in vegetables with the help of **Project Vijay**.
- EBITDA for Q2FY24 was INR 2.7 bn with a margin of 20.0%, the same as the previous quarter. As per the guidance given in the last quarter to achieve 150 to 200 basis points higher than current levels of EBITDA but due to investing in the frontline and salary hikes EBITDA has been blocked at the same.
- Management has been able to limit the Like-for-Like growth (LFL) growth to -1.3% and ADS of mature stores grew by 1.4% in Q2FY24.
- Guidance from the management about the margins was that the margins will increase in the near term from the operating leverage.

■ Strategic Direction and Growth:

- Strategic direction focuses on order-led growth, value offerings, improving systems and processes, and long-term investments for future growth.
- Average ticket size has started to grow sequentially for the past two quarters focusing on providing value to customers and driving order-led growth also there is a **sharp increase** in ticket size in Dine-in.
- Management has committed to raising the consumer service bar and improve systems and processes.
- Positive LFL growth** is expected in the second half of the fiscal year and tier-1 cities were positive in terms of our LFL growth and LFL for matured stores, which is positive, but it has **come down** to 1% compared to the 3%. Management has given a guidance of **5% to 6% of LFL growth** in the medium term i.e. 5 years.
- Volume growth has been strong, with higher order volume and customers choosing lower-priced items.
- As guided, JUBI has opened 30 new Popeyes stores and customers are providing good responses to the bold cajun flavors and guided to open **250 stores** in the medium term.

■ Capex, Investments and Renovations:

- JUBI is working towards the target of achieving **3000 stores**.
- Dine-in segment was impacted by store renovations but investments have been made to improve the experience.
- After Greater Noida and Bengaluru, the Mumbai commissary will be of a much lower CAPEX. To drive long-term growth and industry-leading margins investments in technology and commissaries have been in the focus of JUBI.
- Management is on track to re-image **100+ stores** by the end of FY24 and after re-image, JUBI has given guidance to achieve high **double-digit growth** in terms of Dine-in.
- Launched a new flagship store format - **ACE 2.0** - with the first inaugural store in Sector 29, Gurgaon, and will continue to invent new formats to penetrate into the cities.
- In Dunkin', 11 out of 21 restaurants are now as per the coffee-first format and invested behind three new regions to transition to a seven-region structure in Domino's. This incremental investment in the new structure will go a long way in further sharpening the key competitive advantage of best-in-class operational ability.
- Every 4 or 5 years, the design or the palette for design changes, and management is adopting more vibrant, more colorful designs without adding to CAPEX or store sizes.
- Management has given a guidance of **200-225 stores** in the second half of the year.

Customer Enrollment – The loyalty program, Domino's Cheesy Rewards, has seen 19.5 million customer enrollments and their order contribution in September was 50.1%.

Expansion - Adding more channels like IRCTC etc. and expansion plans for Hong's Kitchen Format.

Regional Menu Innovation - Regional menu innovation has been successful, adapting to local preferences and launching during festivals. Added a new regional menu range in East India – Domino's debuts Mutton and Prawn Pizzas in India for the first time.

Project Vijay - Use of data and technology to make discounts better, giving more value for the same products. By analyzing data, JUBI has improved combo deals, making the average purchase bigger for two quarters in a row and also saving costs by sourcing locally.

Jubilant FoodWorks Ltd.



Management Analysis

Leadership

Below are the details and experience of the Management:

Sr. No	Name	Designation	Qualification	Comment
1	Hari shanker Bhartia	Founder & Non-Executive Co-Chairman (1995)	Mr. Hari is B.E , BTech in chemical Engineering - IIT Delhi, have experience in Pharmaceuticals, specialty chemicals, Bio-technology, Food, Oil & Gas (Exploration and Production), Aerospace, Information technology and other sectors, President of Confederation of Indian Industry from 2010 to 2011, Served as Chairman of Jubilant industries until 2017, Chairman and Managing Director of Jubilant Pharma Limited since May 18, 2005. Spearheaded Jubilant's growth to become the largest custom research and manufacturing services (CRAMS) business in India and its acquisitions of Hollister-Stier and Tri-Gen (now Cadista) in the U.S. Independent Director of ACME Cleantech Solutions Limited (formerly, ACME Tele Power Ltd) since August 2007. Chairman of ISG Novasoft Technologies Limited,etc.	Mr. Hari is the founder itself with lots of Industry experience and part of many companies in India as well as foreign.
2	Shyam Sunder Bhatia	Founder & Chairman (1995)	Mr. Shyam is a Qualified Cost accountant, Bcom St. Xaviers college - calcutta university and have Rich industrial experience in pharmaceuticals and specialty Chemicals, Food, Infrastructure, Oil and Gas, aerospace and Information Technology sectors and has been instrumental in developing strategic alliances and affiliations with leading global companies. Eminent Industrialist in same companies in which his brother is.	Mr. Shyam is the founder itself with lots of Industry experience and part of many companies in India as well as foreign. But doesn't seem to have an experience in Food service industry.
3	Sameer Khetarpal	MD, CEO & Director (since 2022 to Sep 2027)	Mr. Sameer has done MBA from ISB Hyderabad, MS (Chemical Engineering) from Lamar University Texas and has 25+ years of experience in sectors like ecommerce, CPG and Management consulting. Joined Jubilant from Amazon. He was also a Production Manager in HUL and a Partner with Mckinsey & company.	Mr. Sameer is an experienced person with an experience in Consumer Packed Goods (Food industry) and ecommerce & also in consulting which will indirectly help the company with his consulting skills.
4	Ashish Goenka	President & CFO (since 2021)	Mr. Ashish is a Gold medalist MBA from IIFT, Delhi, CA & CS degree holder Bcom from St. Xavier's College, Kolkata and has experience over 20 years in various facets of Finance, Procurement & Strategy at Airtel & HUL.	Mr. Ashish has expertise in these fields with 20 years of experience, and he is a CA,CS & MBA.
5	Avinash kant kumar	President, Integrated Supply Chain, Hong's Kitchen and CSR Head (since 2015)	Mr. Avinash has done PGDIE from NITIE and B. Tech. from IIT Kharagpur, he has Over 30 years of experience across various areas of supply chain. Held positions at P&G, Reliance Retail, Coca Cola and Al Foah Co and McCain Foods, Founder/Director of Focusale Private Limited, a venture they started in 2012 that imported, sorted, graded, and packed Dates locally at factories in Delhi and Trichy.	Mr. Avinash is an experienced person and held positions in big cos, expertise in value chain. He himself is a entrepreneur of a company so he must have the expertise.
6	Gaurav Pande	Executive Vice President and Business Head, Popeyes (since 2021)	Mr. Gaurav has done PGDBM in Marketing from XLRI Jamshedpur and a B. Tech. in Electrical Engineering from College of Technology, Pant Nagar and worked with Infosys & HUL. 20 years of experience in building brands & businesses.	Mr. Gaurav is an experienced person and can help popeeyes to build the brand by using expertise as he is from diverse fields like engineering (creativity) & Marketing.
7	Chitrang Goel	Executive Vice President and Business Head, Dunkin' (since 2021)	Mr. Chitrang has done MBA from Infinity Business School, Delhi and has completed an executive program in restaurant design and management at IIM Ahmedabad and has 19 years of experience in sales, marketing and category development roles. Rich experience in both developed and emerging markets. Spent large part of his career in Food & Beverage space.	Mr. Chitrang is an experienced in sales, marketing and category development. He is familer to Food & Beverages industry so he can help Dunkin' to expand in the markets.
8	Sanjay Mohta	Vice President, International Business (since 2019)	Mr. Sanjay has done PGDM in Marketing from MDI Gurgaon, BE degree in Polymer Science & Chemical Technology from Delhi College of Engineering and spent 16 years in fast-growing Asian economies and holding key positions at renowned companies like Nestle and Tata Consumer Products Limited. Exceptional skills in sales, marketing & general management.	Mr. Sanjay has experience and has worked with big FMCG cos so he knows the consumer market. He spent 16 years in fast growing economies so he could be aware of the international market.

Jubilant FoodWorks Ltd.



Management Analysis

Sr. No	Name	Designation	Qualification	Comment
9	Sameer Batra	President and Chief Business Officer, Domino's India (2023)	Mr. Sameer has a MBA degree in Marketing from the Goa Institute of Management (GIM), Bachelor's degree in Mechanical Engineering from the Army Institute of Technology, Pune University. He is a CEO of wynk at Bharti Airtel. Experience in building businesses in the consumer space with a special focus on Pricing, Large scale P&L Management, leading and building teams and more recently running Digital businesses. Worked at Amazon as Director, he and his team built strategic alliances for Amazon's consumer offerings like Amazon Prime, Prime Video, Audible/Kindle across India, South-east Asia, Australia and New Zealand.	Mr. Sameer's experience is vast and a skilled person with leadership quality. His skills will be beneficial in the digital platform which will enhance the customer experience and operations as he has experience in building businesses.
10	Sandeep Anand	Executive Vice President and Chief Marketing Officer, Domino's India (since 2021)	Mr. Sandeep has done PGDM in Marketing from MDI Gurgaon, B.Tech. in Mechanical Engineering from Jamia Millia Islamia, Delhi with 19 years of expertise in FMCG/CPG, FoodTech, and Consumer Health marketing, he has worked with renowned companies such as Zydus Wellness, Zomato, GSK Consumer Healthcare, Reckitt Benckiser, and Ranbaxy.	Mr. Sandeep has an experience in FMCG and Foodtech industry and has worked with big cos. He knows the market and is known for turning around the business in complex environments
11	Amit Maheshwari	Senior Vice President and Head of Operations, Domino's India (since 2018)	Mr. Amit has a Degree from the Institute of Hotel Management, Lucknow with an experience of 26 years and held notable positions at Godrej Nature's Basket, Burger Kind India, Pan India food solutions Pvt. Ltd. & Taj group of hotels and has knowledge & expertise in Food & Beverage Industry. Under his leadership Dominos experienced growth & operational excellence.	Mr. Amit has vast experience and have expertise in Food & Beverages Industry. He knows the market and can grow dominos in an efficient manner.
12	Deepti Gupta	Executive Vice President, Human Resource and Administration (since 2021)	Ms. Deepti PGDM in HR from MDI Gurgaon with 18 years of experience in the field of HR. Significant contributions to renowned organizations such as InfoEdge, Airtel, and Mercer and an extensive experience in IT, ITES, pharmaceuticals, and energy sectors. Also, Held positions in both consulting and business HR.	Ms. Deepti has vast experience in the field of HR and worked in Big cos., also have experience in IT.
13	Vaneet Singla	Executive Vice President and Chief Product Officer (since 2021)	Mr. Vaneet has done MBA from FMS Delhi, B.Tech (Hons) from NIT Jalandhar with an expertise in product and business management roles. Notable innovations and contributions at WheelsEye, Practo, Hubzu, MakeMyTrip, SpiceLabs and Reckitt Benckiser and has Deep understanding of Product Management, User Experience and Design, Product Analytics and Engineering.	Mr. Vaneet worked in big cos. on products so he may know the consumer psychology towards a product, design, packaging, etc. Continuous innovation is important & he have that experience so he could add value.
14	Pawan Kumar	Executive Vice President and Chief Technology Officer (since 2020)	Mr. Pawan has done MCA degree in Computer Science from Kurukshetra University with an experience of 22 years, worked at companies like Monster India, Yatra, Navistar Information Services Pvt Ltd, Allainet India Ltd, and Simson Computers Ltd with an expertise in design, development, QA, and end-to-end management. He have deep understanding of building highly scalable systems using SOA, micro services and latest technologies. He is proficient to design, build and maintain an e-commerce platform for B2C, B2B and SME.	Mr. Pawan is experienced and has expertise in Tech & IT. He worked with some firms and excelled in planning, executing, and deploying critical products within stringent timelines. He can handle all the technology part properly.
15	Rahul Bharde	Senior Vice President, Analytics and Insights (since 2020)	Mr. Rahul has done M.Tech degree in Industrial Engineering and Operations research from IIT Bombay with an experience of 18 years, he has held leadership roles at Ascena Retail Group, dunhumby, and MarketRx. He is a distinguished analytics professional with a remarkable track record of delivering breakthrough financial performance for retailers and CPG companies worldwide while building data forward culture and has Experience of working with start-ups as a strategic adviser, also a Speaker in retail, AI & Analytics conferences.	Mr. Rahul is experienced and played leadership roles in cos., he is an analytical professional and got awards like "Top 100 Most Influential AI and Analytics leaders (Year 2023 and 2022) by 3AI", etc. He will help the company to properly analyze its inefficiencies and other operations by using analytics.
16	Narottam Sharma	Vice President and Chief Information Officer (2023)	Mr. Narottam has an MBA degree in IT & Strategy from MDI Gurgaon and a B.S. in Information System from BITS Pilani with 25 years of experience and made significant contributions to renowned corporations, including Mastek, Sterlite Technologies, Samsung, Aviva, Royal Bank of Scotland, and Bank of America.	Mr. Narottam has an experience of 25 years and worked in IT sector for large cos.

Jubilant FoodWorks Ltd.



Management Analysis

Independent Directors

Below are the details and experience of the Management:

Sr. No	Name	Designation	Qualification	Comment
1	Abhay Prabhakar Havaladar	Non - Executive Independent Director (since 2018) Re-appointment of Mr. Abhay P. Havaladar (DIN: 00118280) as Independent Director of the Company for a second term of five consecutive years with effect from July 25, 2023 to July 24, 2028.	Mr. Abhay has done M.Sc. in Business Administration and Management from the Sloan Fellow program at London Business School and a B.E. in Electrical Engineering from Mumbai University. He was a Non-Executive Independent Director at HealthCare Global Enterprises Limited since 2020 until April 02, 2023. He has experience in the venture capital and private equity industry and skilled in Corporate Finance, Venture Capital, Investment Banking, Strategy. Established General Atlantic's India office in 2002, Singapore office in 2011. Commenced his career with the Tata group of companies and held operating management responsibilities at Tata Infotech Limited and HCL Infosystems Limited, shareholder Director at NSE of India Ltd since June 13, 2012 until September 26, 2020. Worked in both hardware and software industries in the United States, Europe and Asia. Non-Executive & Independent Director of Jubilant Life Sciences Limited until 2014.	Mr. Abhay is an engineer, techy and has connections with investment banks, skilled in Corporate finance, established General Atlantic India which gives strategic support to company's for growth. He can strategize decisions and also worked for Tata infotech and HCL. He can work to reduce the cost as he is an engineer.
2	Vikram Singh Mehta	Lead Independent Director (since 2019 till 2024)	Mr. Vikram holds a Master's degree in Politics & Economics (Hons.) from Magdalen College, Oxford University as well as a Master's Degree in Energy Economics from the Fletcher School of Law and Diplomacy, Tufts University. He was a Non-Executive Independent Director at Global Health Limited from January 25, 2021. Director of L&T shipbuilding since 2012. Advisor, Strategic Planning to the State-owned Company, Oil India Limited from 1984 to 1988. Chairman of the Shell Group of Companies in India since 1994 until 2012. Non-Executive Independent Director at Apollo Tyres Ltd. since February 6, 2013. Lead Independent Director of Colgate - Palmolive India and M&M also etc	Mr. Vikram has worked with big companies of India and has lot of industry experience but nothing is related to Food industry. He got Asia centre for CG & sustainability award for best independent director.
3	Ashwani Windlass	Non - Executive Independent Director (since 2018) 04, 2027; Re-appointment of Mr. Ashwani Windlass (DIN: 00042686) as an Independent Director of the Company for a second term of five consecutive years with effect from July 25, 2023 to July 24, 2028	Mr. Ashwani is a Gold medalist in Bachelor of Commerce and is a Graduate in Journalism (B.J.) from Punjab University, Chandigarh. Master's in Business Administration from Faculty of Management Studies, University of Delhi with specialization in finance & marketing and he is an independent Chairman of Bata India Limited since November 13, 2019. Independent Director of Vodafone Idea Limited (formerly Idea Cellular Limited) since August 31, 2018. Leading strategy, telecom and technology professional, having wide and top management experience with an outstanding track record of value creation. Engaged in advisory role, mentoring CEO's & entrepreneurs. as Managing Director of Hutchison Max Telecom Limited. He worked with Max India Ltd. in various capacities and gained rich experience and vast knowledge and had played a pivotal role in turning Max India Ltd. into a multi business enterprise.	Mr. Ashwani is good in creating value and can mentor & advise CEO but don't have any expertise in Food Industry.
4	Aashti Bhartia	Non - Executive Director (since 2017)	Ms. Aashti holds a Bachelors' degree in Anthropology and History from Columbia University in New York, USA and Business Bridge Program from Tuck School of Business, Hanover, New Hampshire. She was a Head of Strategy and Business Development for Jubilant First Trust hospitals from 2009 to 2014. Expertise in management building and business expansion.	Ms. Aashti has no experience in business, not worked in the Food industry.
5	Shamit Bhartia	Non - Executive Director (since 2017)	Mr. Shamit holds a Bachelor's degree in Economics from Dartmouth college, USA and the Director of Goldmerry Investment & Trading Company Limited, HT Learning Centers Limited, Indian Country Homes Private Limited, Jubilant Motorworks Private Limited, SBS Trustee Company Private Limited, SSB Trustee Company Private Limited, Shine HR Tech Limited, Shobhana Trustee Company Private Limited, SS Trustee Company Private Limited and The Hindustan Times Limited, Non-Executive Director at HT Media Limited since March 31, 2020. Worked in the Corporate Finance and M&A Division of Lazard Frere, New York from July 2001 to August 2002 and has been associated with Lazard Frere since its incorporation.	Director at Jubilant consumer so he may have experience in consumer market but don't have a specific experience in Food industry. He is in the board of many companies which are mostly Trustee companies, media, tech etc. He can manage the funds properly as he also worked in corporate finance in one of the biggest investment bank Lazard frere and also in the board of trustee cos.

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Management Analysis

6	Berjis Minoo Desai	Independent Director (since 2017)	Mr. Berjis has been graduated with First Class Honours from the Elphinstone College and stood first in the University of Bombay in the final year law exams. Topped the solicitor exams conducted by the Bombay Incorporated Law Society. Bachelor's degree in Arts and a Bachelor of Law from the University of Mumbai and holds Master's Degree in Law from the University of Cambridge, England. He was an Independent Director of Star Health and Allied Insurance Company Limited. Managing Partner of J. Sagar Associates, Advocates & Solicitors since 2003 and Senior Partner. Expert in Corporate and Mercantile Laws. Chairman of Centrum Investments Limited. Had been an Independent Director at Edelweiss Financial Services Limited. Vast experience in the legal field, with a specialisation in Corporate Law, Mergers & Acquisitions, Derivatives, Securities & Financial Laws, International Business Laws and International Commercial Arbitration. He has been a Non-Independent Non-Executive Director of The Great Eastern Shipping Company Limited. Rich experience, spanning over three decades. Arbitrator for the London Court of International Arbitrator and Indian Chamber of Commerce.	Mr. Berjis has vast experience in the field of law and has been on the board of many big companies. practicing law for the last 43 years and his last association was with the J. Sagar Associates, a national law firm as it's Managing Partner. He is the person who will be able to solve all the court and law problems in JFL.
7	Deepa Misra Harris	Independent Director (since 2019 till 2024)	Ms. Deepa holds a Master's degree in English from Lady Sri Ram College, Delhi University and has completed various executive programs from Cornell and ISB. She is a specialist in Branding, Marketing and Sales - over 30 years in luxury and hospitality. Founded BrandsWeLove a Branding & Marketing Consultancy. Senior Vice President of Global Sales & Marketing at The Indian Hotels Company Limited. Luxury hospitality and brand specialist with proficiency in branding, marketing, sales with experience of more than 3 decades in Taj Group and proven track record of delivering double digit growth and escalating brands to leadership positions. having launched new products and hotels in the US, UK, Middle East & Africa.	She is a specialist & an experienced person in Brand & marketing with 3 decades exp. She can guide the management in marketing and to deliver double digit growth consistently.
8	Amit Jain	Independent Director (2023 till 2028)	Mr. Amit holds a Masters in Business Administration from the Faculty of Management Studies and has completed an Advanced Management Program from the Wharton Business School with 30 years of experience. Lead businesses across FMCG, Entertainment, Media and Beauty sectors. Was MD of AkzoNobel India & AkzoNobel Decorative Business for North and West Europe. Thereafter, Non-executive director of Akzonobel India. He played a leadership role in Coca cola India Founder of Viacom18 Joined L'Oréal India in 2018 as the Managing Director, responsible for driving the company's growth, and operations across India and South Asia.	Mr. Amit is an experienced person with an expertise in various industries. He knows the consumer market and played leadership roles in big cos.

Commentary

The company has strong management with vast experience and technical expertise. The Executive committee includes experienced members with < 15 years of experience in their respective fields. Mr. Narottam Sharma and Sameer Batra joined in 2023 and mostly all members joined after 2019 except Amit M, Sanjay M, and Avinash K. All others have joined in recent years. Hence, they are not familiar with JFL but JFL has achieved 5000 crs. in FY2023 as the first QSR to reach that number they have to see how this new management optimizes the resources for growth as they all have much experience.

Management includes experts from various fields like Tech, law, branding and marketing, Fundraising and managing, etc. but only two from the management are in the industry of consumer and food. No achievements were found about Mr. Shamit Bhartia and Ms. Aashti Bhartia has no experience in the industry. CEO Mr. Sameer Khetarpal has experience in e-commerce and the CPG industry and also a Production Manager in HUL so he could efficiently manage the cost and provide value to customers. Overall management has vast experience with lots of expertise in various fields except for Mr. Shamit and Ms. Aashti Bhartia.

Jubilant FoodWorks Ltd.



Management Analysis

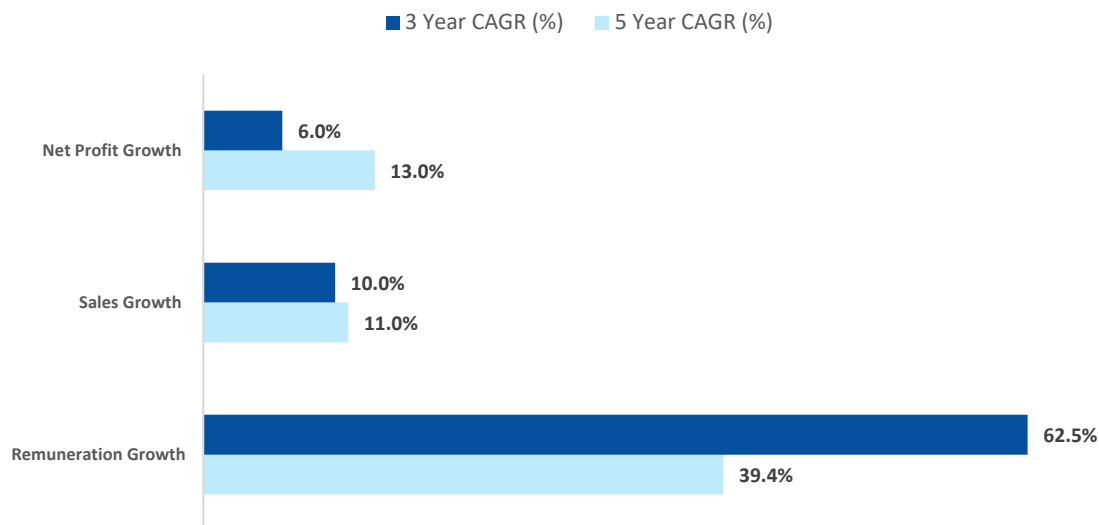
Management Remuneration

During FY23, the company incurred managerial remuneration of INR 317.12 million as against INR 148.13 million in FY22 (114.1% increase on a YoY basis). The details are as follows:

Name	Designation	Ratio of Remuneration with median employee salary	FY23 (INR mn)	FY22 (INR mn)	Growth (%)	Sales Growth YoY	Net Profit Growth YoY
Sameer Khetarpal	MD, CEO & Director	4.48x	28.02	-	-	17.33%	-15.55%
Ashish Goenka	EVP & CFO	5.81x	36.33	30.16	20.46%	17.33%	-15.55%
Pratik R. Pota	CEO and Wholtime Director	N.A.	237.40	92.78	155.87%	17.33%	-15.55%
Mona Aggarwal	Company Secretary	2.46x	15.37	25.19	-38.98%	17.33%	-15.55%
Total			317.12	148.13	114.1%	17.33%	-15.55%

The median ratio of KMP remuneration with the median employee salary is 4.48x, whereas the median of the same for the peers: Devyani International Ltd. – 5.29x, Sapphire Foods India Ltd. – 54.00x, Westlife Foodworld Ltd. – 99.00x and Restaurant Brands Asia – 385.90x. The significant increase in the growth of remuneration is because of “Resigned as CEO & WTD w.e.f. close of business hours of June 15, 2022. Remuneration includes ESOP perquisites of 194.11 million for FY2023(previous year of 25.65 million” as stated by the management.

We observed variations in revenue growth of the company and KMP remuneration. The revenue grew at 11.0% CAGR over the last 5 years and 10.0% CAGR over the last 3 years whereas the KMP remuneration grew at 39.44% CAGR over the last 5 years and 62.51% CAGR over the last 3 years.



Source: Company Analysis

Board Efficiency

As per our research, the Board of Directors (BOD) has adequate representation of Independent Directors, Industry experts, Strategist, Mentors, Finance and Legal experts as required by the law.

The efficiency of BOD can be gauged by their contribution to various important meetings held in FY23. The details are as follows:

Jubilant FoodWorks Ltd.



Management Analysis

Name/Designation of Director	Exec./Non-Exec./Independent/Non-Independent	No. of Board Meetings		Attendance at last AGM
		Held	Attended	
Shyam Bhartia, Chairman	Non-Exec, Non-Independent	4	4	Yes
Hari Bhartia, Chairman	Non-Exec, Non-Independent	4	4	No
Sameer Khetarpal, CEO and MD	Executive	2	2	NA
Aashti Bhartia	Non-Executive	4	4	No
Shamit Bhartia	Independent	4	4	Yes
Abhay Havaladar	Independent	4	4	No
Ashwani Windlass	Independent	4	4	Yes
Berjis Desai	Independent	4	4	Yes
Deepa Harris	Independent	4	4	Yes
Vikram Mehta	Independent	4	4	Yes

During FY23, the company has been supervised by the BOD efficiently as the majority of the members of the board have attended all the board meetings which shows good participation by the board in key matters discussed during the year and helped the company in taking effective decisions but Mr. Hari Bhartia and Mr. Abhay Havaladar failed to attend the last AGM.

Shareholding Pattern

The company has the majority of its shareholding with Jubilant Consumer Private Limited (Promoter) to a total of 41.94%. As on September 30, 2023, FIIs are holding 26.14% which has decreased from 38.82% in FY2019, DIIs hold 22.16% which shows an uptrend, and Government and Public holdings are 0.20% and 9.36% respectively. Promoter shareholding has dropped from 44.96% in FY18 to 41.94% in Q2FY23 but it is not a significant decrease to conclude management's strategic exit from the Business. The Promoter pledging was 1.49% of the Promoter's holding in Q2FY21 and consistently decreased to 0.79% in Q2FY23.

The Yearly and Quarterly shareholding pattern of the company is as under:

Shareholding Pattern as on Sept-2023



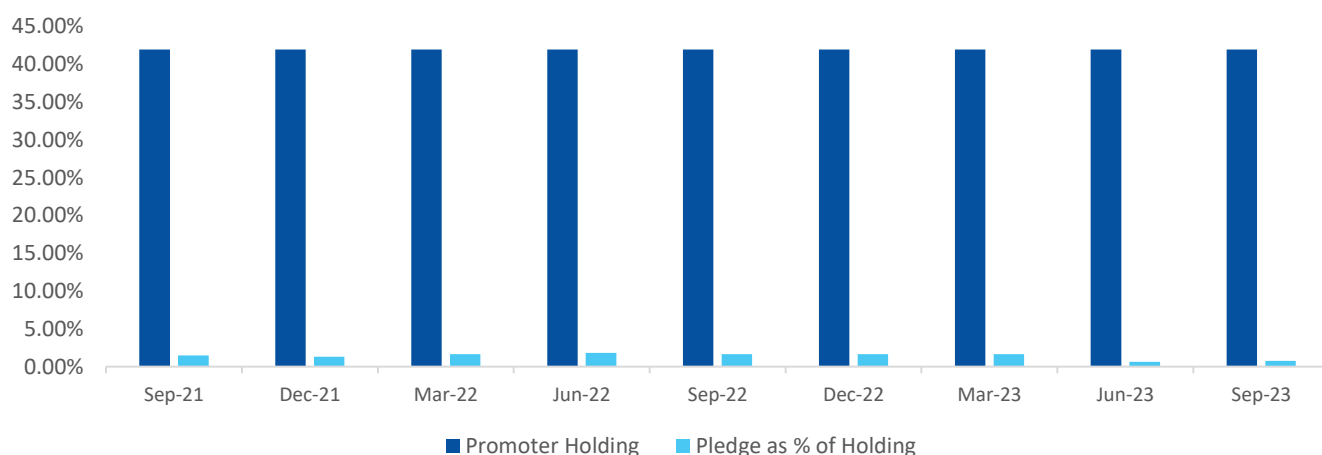
	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Sep-23
Promoters	44.96%	44.94%	41.94%	41.94%	41.94%	41.94%	41.94%	41.94%
FIIs	28.85%	36.94%	38.82%	30.94%	40.87%	31.87%	25.38%	26.14%
DIIs	13.34%	9.06%	9.99%	20.65%	11.36%	15.59%	21.66%	22.16%
Government	0.00%	0.11%	0.30%	0.41%	0.32%	0.13%	0.20%	0.20%
Public	12.85%	8.60%	8.73%	5.88%	5.34%	10.22%	10.63%	9.36%
Others	0.00%	0.35%	0.21%	0.19%	0.17%	0.25%	0.18%	0.21%

Source: Annual Report, Screener.in

Jubilant FoodWorks Ltd.

Shareholding Pattern

Quarterly Promoter Holding vs Pledge



Source: Trendlyne, Company Analysis

Results Overview

Quarterly Snapshot

Particulars (INR mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	QoQ increase
LFL Growth (%)	8.4%	0.3%	(0.6%)	(1.3%)	(1.3%)	-710bps
Number of Dominos stores	1,701	1,760	1,816	1,838	1,888	
Net Revenues	13,015	13,318	12,698	13,345	13,686	
Revenue Growth (%)	3.7%	2.3%	(4.7%)	5.1%	2.6%	-110bps
COGS	3,102	3,283	3,165	3,233	3,261	
COGS as % of Revenue	23.8%	24.7%	24.9%	24.2%	23.8%	
Gross profit	9,913	10,035	9,533	10,112	10,425	
Gross profit Growth (%)	3.0%	1.2%	(5.0%)	6.1%	3.1%	
Gross profit Margin (%)	76.2%	75.3%	75.1%	75.8%	76.2%	0bps
EBITDA	3,021	2,768	2,324	2,671	2,736	
EBITDA Growth (%)	3.0%	(8.4%)	(16.0%)	14.9%	2.4%	
EBITDA Margin (%)	23.2%	20.8%	18.3%	20.0%	20.0%	-320bps
Other income	104	96	198	93	71	
Finance Cost	497	518	529	543	568	
Tax	430	311	249	254	233	
Depreciation	1,146	1,326	1,315	1,357	1,419	
Net profit (reported)	1,315	804	285	289	972	
Net profit Growth (%)	16.8%	(38.9%)	(64.6%)	1.4%	236.3%	
Net profit Margin (%)	10.1%	6.0%	2.2%	2.2%	7.1%	-300bps
EPS	1.99	1.22	0.43	0.44	1.47	
EPS Growth (%)	16.4%	(38.7%)	(64.8%)	2.3%	234.1%	

Source: Company Analysis, Multiple Reports

Jubilant FoodWorks Ltd.

Results Overview

Annual Snapshot

Particulars (INR mn)	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Net Sales	30,184	35,631	39,273	33,119	43,961	50,960	57,498	66,907
Change (%)	16.8%	18.0%	10.2%	-15.7%	32.7%	15.9%	12.8%	17.6%
COGS	7,660	8,861	9,835	7,262	9,899	12,272	13,803	15,832
Gross Profit	22,524	26,770	29,438	25,856	34,062	38,688	43,695	51,075
Gross Margin %	74.6%	75.1%	75.0%	78.1%	77.5%	75.9%	76.0%	76.3%
Operating expenses	18,123	20,773	20,682	18,144	22,974	27,096	30,569	34,204
EBITDA	4,401	5,998	8,756	7,712	11,088	11,592	12,702	15,326
Change (%)	82.5%	36.3%	46.0%	-11.9%	43.8%	4.5%	10.3%	21.5%
Margin (%)	14.6%	16.8%	22.3%	23.3%	25.2%	22.7%	21.8%	22.4%
Depreciation	1,601	1,575	3,523	3,754	3,931	4,753	5,733	6,444
Int. and Fin.	-	-	1,652	1,627	1,761	1,951	2,193	2,461
Other Non-recurring Inc.	231	474	696	731	414	497	572	700
PBT	3,031	4,897	4,277	3,062	5,810	5,385	5,604	7,206
Change (%)	201.7%	61.6%	-12.7%	-28.4%	89.8%	-7.3%	9.0%	29.0%
Margin (%)	10.0%	13.7%	10.9%	9.2%	13.2%	10.6%	9.6%	10.5%
Tax	1,068	1,717	1,303	757	1,452	1,356	1,385	1,801
Tax Rate (%)	35.3%	35.1%	30.5%	24.7%	25.0%	25.2%	25.2%	25.2%
Adjusted PAT	1,962	3,180	2,974	2,305	4,358	4,029	4,119	5,355
Change (%)	180.5%	62.0%	-6.5%	-22.5%	89.1%	-7.6%	6.1%	33.9%
Margin (%)	6.5%	8.9%	7.6%	7.0%	9.9%	7.9%	7.1%	7.8%
Non-rec. (Exp)/Inc.	-	-	(186)	-	(177)	(466)	-	-
Reported PAT	1,962	3,180	2,788	2,305	4,181	3,562	4,119	5,355
Adjusted EPS (INR)	3.0	4.9	4.2	3.5	6.4	5.4	6.2	8.1
EPS Growth (%)	230.0%	63.3%	-12.6%	-17.2%	81.5%	-16.0%	6.1%	33.8%

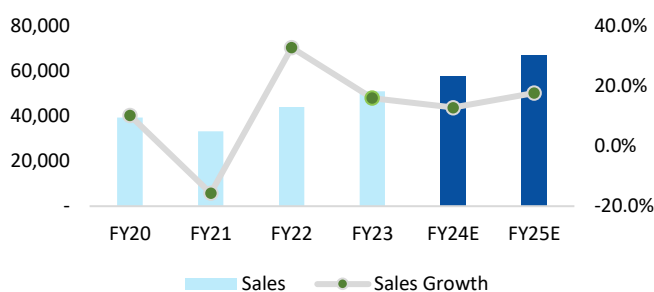
Commentary

Revenue

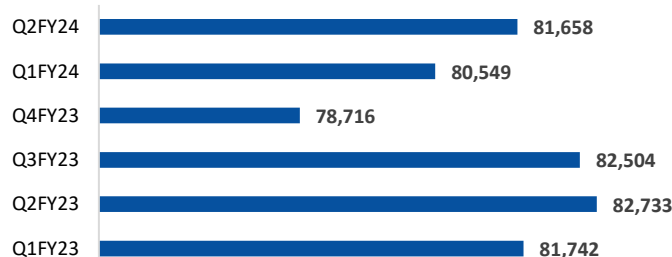
In recent quarterly results, the company posted revenue of INR 13.7bn (an increase of 4.5% QoQ), and delivery channel sales grew by 8.4%. Average Daily Sales of mature stores registered sequential growth for the second consecutive quarter as it grew by 1.4% QoQ. Revenue from Dine-in was flat this quarter due to slower footfalls in mall stores but JUBI will continue to invest in Dine-in to improve that by opening and reimaging stores where JUBI sees 12% to 20% improvement in Dine-in sales by which the share in the revenue will increase from 48% to 60%. JUBI expects the revenue to grow at 15% CAGR and the sales continue to be order-led. In Hong's kitchen, JUBI continues to see robust growth in revenue with order and ticket-led growth. , In Sri Lanka, the system sales grew by 13.1% and the Company opened two new stores taking the network strength to 50 stores In Bangladesh, system sales grew by 69.6% and the network expanded to 20 stores. Opening stores at a faster clip in better locations with higher sales per store is due to technology assets by which conversion, monthly app usage, and the Cheesy rewards program are at an all-time high

Source: Company Analysis

Sales & Sales Growth



Domino's ADS



Source: Company Reports

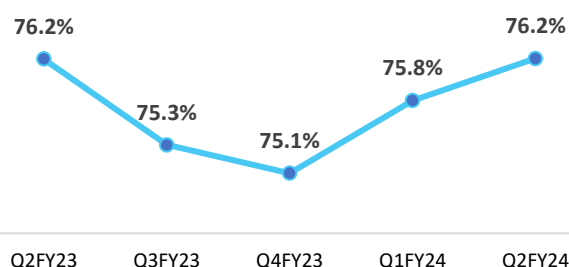
Jubilant FoodWorks Ltd.

Results Overview

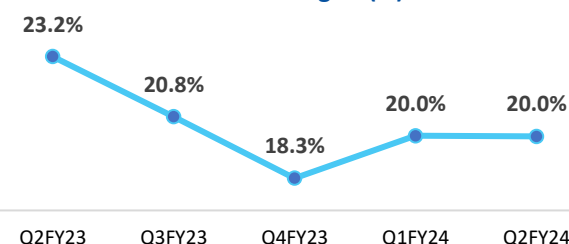
Gross Margins and EBITDA Margins

In the recent quarterly results, JUBI posted a Gross Profit of INR 10.4bn and EBITDA of INR 2.7bn with margins of 76.2% (increase of 0bps QoQ0 and 20.0% (decrease of 320bps QoQ) respectively. JUBI is able to offer superlative value to consumers at industry-leading margins and got very good traction in the Gross Margins without effecting any price hike and was able to more than offset the impact of high inflation in vegetables and use of data technology to improve ticket size and localize to improve gross margins. The commissary-based model has helped to get quality products at low prices without diluting gross margins. As per the management, the margins should remain stable or improve from here and Project Vijay focuses on optimizing cost structures, systems, and processes, fostering continuous improvement and innovation for margin benefits.

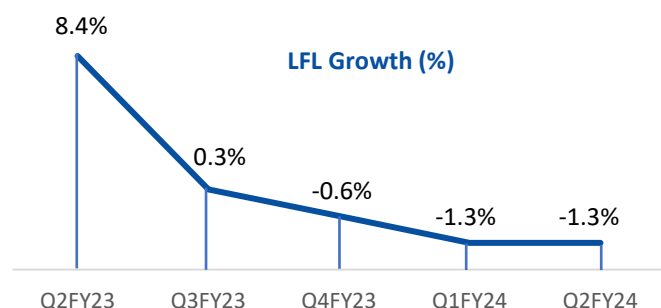
Gross Margins (%)



EBITDA Margins (%)



LFL Growth (%)



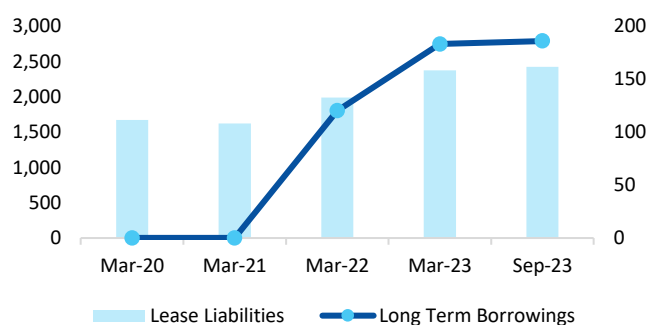
Like for Like Growth

In the recent quarterly results, the management was able to limit any further decline in LFL growth for Domino's which came in at -1.3% and the delivery channel delivered a positive LFL growth. LFL growth YoY will be positive with a number of 5%-6%.

Debt

As of March 2023, total debt was INR 183 crore, excluding lease liabilities of INR 2,371 crore as against tangible net worth of Rs. 1900 crore. Even though debt might go up with the company increasing its stake in DP Eurasia, overall gearing is expected to remain below 1 time. The exact amount of increase in debt would depend upon the extent to which the stake is increased by JFL in DP Eurasia. However, despite additional debt, interest coverage for FY23 is 3 times and expected to remain healthy at over 5-6 times. The Debt to Equity Ratio for FY23 is 1.25.

Lease Liabilities vs Long Term Borrowings (INR crs.)



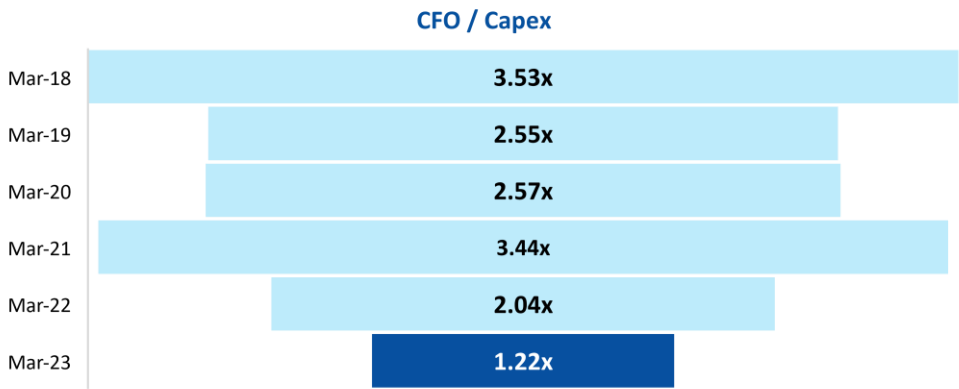
Source: Company Analysis, Investor Presentation, Crisil

Jubilant FoodWorks Ltd.

Results Overview

CFO / Capex

JUBI will continue to make long-term investments and has started the work on the Mumbai commissary after completing Greater Noida and Bengaluru. Mumbai commissary and the subsequent will be of lower capex as compared to the past commissary. JUBI is focusing on reimagining the stores with an ACE design and moving ahead to realize its medium potential of more than 3000 stores. Capex for the Bengaluru commissary was INR 120crs which is now able to offer value to customers at Industry leading margins which will have a positive impact on the operating cost level. The company also opened five new restaurants for Popeyes and entered two new cities, Hyderabad and Madurai, taking the network tally to 22 restaurants across six cities. In Hong’s Kitchen, four new stores enhanced the network to 18 stores across three cities. In Dunkin’, one new store was opened with entry into a new city. 11 out of 21 stores are now as per the brand’s coffee-first identity. As per our research, CFO / Capex for FY23 was 1.22x which shows a healthy operating efficiency.



New ACE Design 2.0 stores



New Popeyes Restaurants



New Bengaluru Commissary



Work on Mumbai Commissary has started

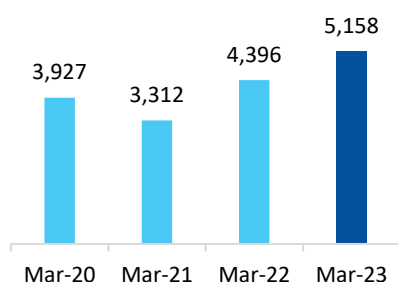


Jubilant FoodWorks Ltd.

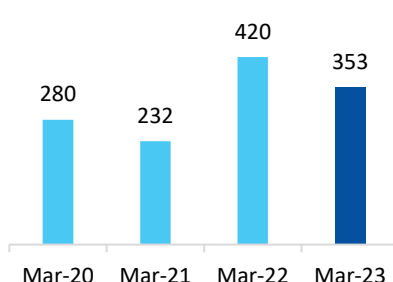
Dupont Analysis

Financial Summary

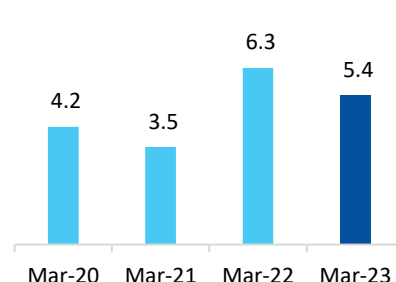
Revenue from Operations (in Crs.)



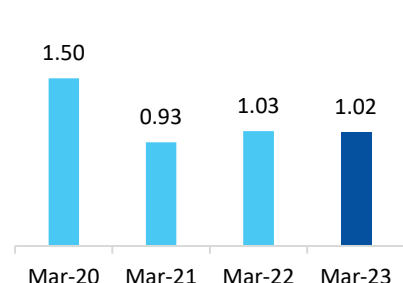
Net Profit (in Crs.)



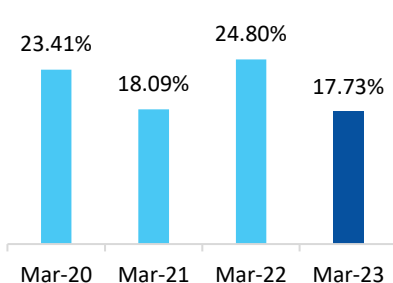
Earnings Per Share (in INR)



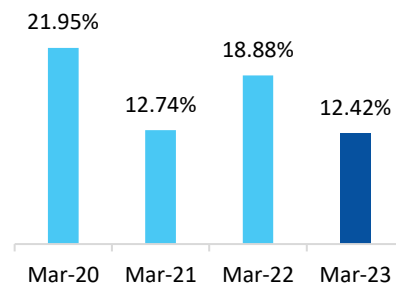
Asset Turnover Ratio



Return on Equity



Return on Capital Employed



RETURN ON EQUITY (ROE)

	Mar-20	Mar-21	Mar-22	Mar-23
NET PROFIT	₹ 278.79	₹ 230.52	₹ 418.08	₹ 353.03
AVERAGE SHAREHOLDERS EQUITY	₹ 1,190.84	₹ 1,274.43	₹ 1,685.90	₹ 1,991.38
RETURN ON EQUITY	23.41%	18.09%	24.80%	17.73%

ROE - DUPONT EQUATION

	Mar-20	Mar-21	Mar-22	Mar-23
NET PROFIT	₹ 278.79	₹ 230.52	₹ 418.08	₹ 353.03
REVENUE	₹ 3,927.27	₹ 3,311.87	₹ 4,396.12	₹ 5,158.25
NET PROFIT MARGIN (A)	7.10%	6.96%	9.51%	6.84%
REVENUE	₹ 3,927.27	₹ 3,311.87	₹ 4,396.12	₹ 5,158.25
AVERAGE TOTAL ASSETS	₹ 2,612.81	₹ 3,568.33	₹ 4,274.22	₹ 5,081.90
ASSET TURNOVER RATIO (B)	1.50	0.93	1.03	1.02
AVERAGE TOTAL ASSETS	₹ 2,612.81	₹ 3,568.33	₹ 4,274.22	₹ 5,081.90
AVERAGE SHAREHOLDERS EQUITY	₹ 1,190.84	₹ 1,274.43	₹ 1,685.90	₹ 1,991.38
EQUITY MULTIPLIER (C)	2.19	2.80	2.54	2.55
RETURN ON EQUITY (A*B*C)	23.41%	18.09%	24.80%	17.73%

Source: Company Analysis

Jubilant FoodWorks Ltd.

Dupont Analysis

RETURN ON ASSETS (ROA)				
	Mar-20	Mar-21	Mar-22	Mar-23
NET PROFIT	₹ 278.79	₹ 230.52	₹ 418.08	₹ 353.03
AVERAGE TOTAL ASSETS	₹ 2,612.81	₹ 3,568.33	₹ 4,274.22	₹ 5,081.90
RETURN ON ASSETS	10.67%	6.46%	9.78%	6.95%

ROA - DUPONT EQUATION				
	Mar-20	Mar-21	Mar-22	Mar-23
NET PROFIT	₹ 278.79	₹ 230.52	₹ 418.08	₹ 353.03
REVENUE	₹ 3,927.27	₹ 3,311.87	₹ 4,396.12	₹ 5,158.25
NET PROFIT MARGIN (A)	7.10%	6.96%	9.51%	6.84%
REVENUE	₹ 3,927.27	₹ 3,311.87	₹ 4,396.12	₹ 5,158.25
AVERAGE TOTAL ASSETS	₹ 2,612.81	₹ 3,568.33	₹ 4,274.22	₹ 5,081.90
ASSET TURNOVER RATIO (B)	1.50	0.93	1.03	1.02
RETURN ON ASSETS (A*B)	10.67%	6.46%	9.78%	6.95%

RETURN ON CAPITAL EMPLOYED (ROCE)				
	Mar-20	Mar-21	Mar-22	Mar-23
NOPAT	₹ 367.15	₹ 304.66	₹ 529.45	₹ 469.57
AVERAGE CAPITAL EMPLOYED	₹ 1,672.34	₹ 2,391.49	₹ 2,803.87	₹ 3,781.94
RETURN ON CAPITAL EMPLOYED	21.95%	12.74%	18.88%	12.42%

ROCE - DUPONT EQUATION				
	Mar-20	Mar-21	Mar-22	Mar-23
NOPAT	₹ 367.15	₹ 304.66	₹ 529.45	₹ 469.57
REVENUE	₹ 3,927.27	₹ 3,311.87	₹ 4,396.12	₹ 5,158.25
NOPAT MARGIN (A)	9.35%	9.20%	12.04%	9.10%
REVENUE	₹ 3,927.27	₹ 3,311.87	₹ 4,396.12	₹ 5,158.25
AVERAGE CAPITAL EMPLOYED	₹ 1,672.34	₹ 2,391.49	₹ 2,803.87	₹ 3,781.94
CAPITAL TURNOVER RATIO (B)	2.35	1.38	1.57	1.36
RETURN ON CAPITAL EMPLOYED (A*B)	21.95%	12.74%	18.88%	12.42%

MOAT ASSESSMENT				
	Mar-20	Mar-21	Mar-22	Mar-23
Gross Profit Margin	74.93%	78.03%	77.40%	75.70%
EBITDA Margin	22.48%	23.55%	25.17%	22.02%
Net Profit Margin	7.10%	6.96%	9.51%	6.84%
ROIC	13.05%	9.19%	11.99%	8.14%
ROCE	21.95%	12.74%	18.88%	12.42%
ROE	10.67%	6.46%	9.78%	6.95%
EPS	₹ 4.23	₹ 3.49	₹ 6.34	₹ 5.35
ROA	10.67%	6.46%	9.78%	6.95%

Jubilant FoodWorks Ltd.

Dupont Analysis

PEER COMPARISON (DUPONT EQUATION)					
	JUBILANT FOODWORKS LTD	DEVYANI	SAPPHIRE	RESTAURANTS BRANDS ASIA	WESTLIFE FOODWORLD
NET PROFIT MARGIN (A)	6.84%	8.77%	10.28%	-11.78%	4.92%
ASSET TURNOVER RATIO (B)	1.02	1.14	0.95	0.84	1.17
EQUITY MULTIPLIER (C)	2.55	3.17	2.10	2.61	3.79
RETURN ON EQUITY (A*B*C)	17.73%	31.72%	20.52%	-25.82%	21.81%

PEER COMPARISON			
	JUBILANT FOODWORKS LTD	AVERAGE	MEDIAN
NET PROFIT MARGIN (A)	6.84%	3.05%	6.84%
ASSET TURNOVER RATIO (B)	1.02	1.03	1.05
EQUITY MULTIPLIER (C)	2.55	2.92	2.89
RETURN ON EQUITY (A*B*C)	17.73%	9.11%	20.67%

Dupont Summary

The decrease in the ROE is due to the decrease of 267bps in Net Profit Margin (NPM) from 9.51% in FY22 to 6.84% in FY23. The Average Turnover Ratio is stable but the Equity Multiplier is 2.55x in FY23 because of the use of lease Liabilities. ROE has dropped from 23.41% in FY20 to 17.73% in FY23. JUBI has a decent ROA of 6.95% in FY23 which has dropped from 10.67% in FY20 and it's because of the decline in the Net Profit Margin. ROCE has not reached the level of 20.00% since FY21 and had a downfall of 953bps from 21.95% in FY20 to 12.42% in FY23. NOPAT margin is also at a low of 9.10% in FY23 as compared to FY22 with 12.04%. The capital turnover ratio is also in a downtrend where the increase in Debt and lease liabilities is more than the increase in the Revenue. Overall, as per the research, JUBI's pricing power is affected due to which they are not generating good numbers, their continuous capex in stores and commissaries could improve their numbers in the future.

According to the MOAT Assessment, JUBI has industry-leading Gross Profit Margins and EBITDA Margins because of their cost efficiency except for Net Profit Margins where they lack the pricing power. All the return ratios viz. ROIC, ROE, ROE, and ROA have shown poor ability for the past 4 years.

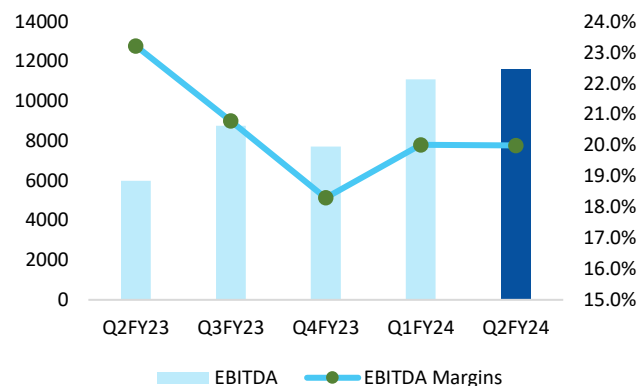
As compared to its peers, JUBI's ROE has been in a downtrend as compared to the peers. The median Asset Turnover Ratio (1.05) is greater than JUBI's (1.02) and the median ROE is 20.67% which is greater by 294bps than JUBI's (17.73%). The median Equity Multiplier shows that most of its peers use more debt to finance the Assets as compared to JUBI. It shows that its peers have more ability and pricing power than JUBI except for their Operating efficiency.

Jubilant FoodWorks Ltd.

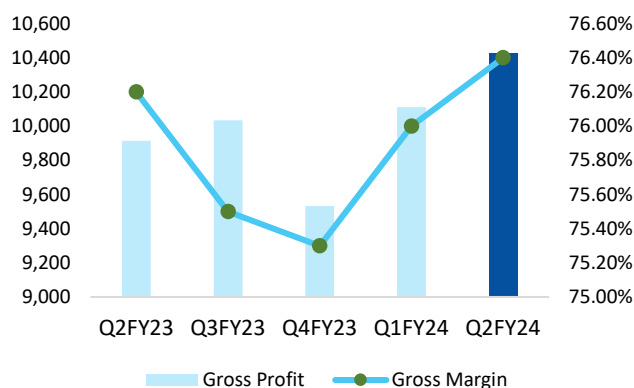
Key Exhibits

Exhibit 01: Revenue grew by 2.6%

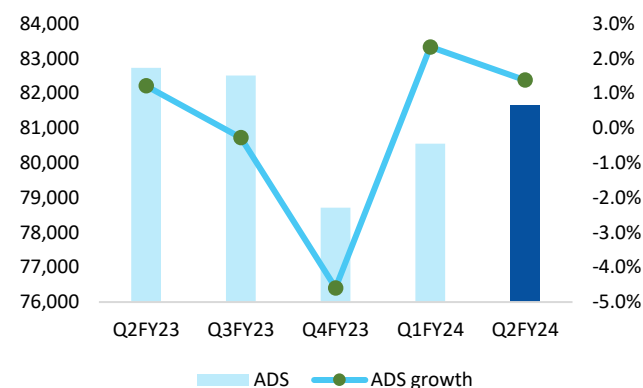

Source: Company Analysis

Exhibit 02: EBITDA Margin stable at 20.0%


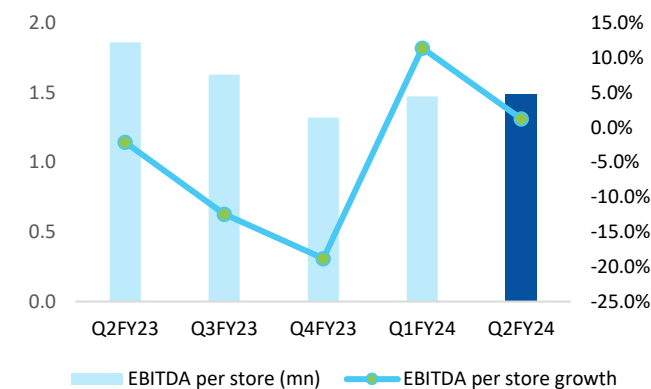
Source: Company Analysis

Exhibit 03: Industry leading GM at 76.5%


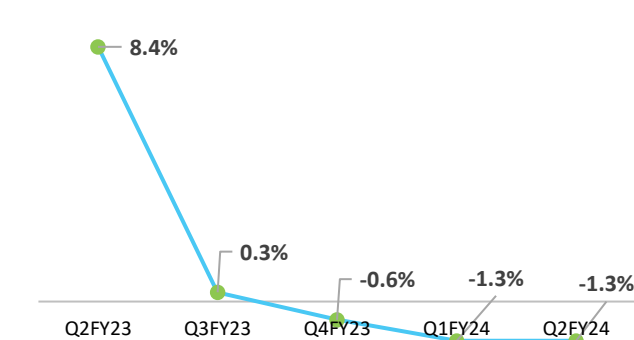
Source: Company Analysis

Exhibit 04: Decreased ADS growth at 1.4%


Source: Company Analysis

Exhibit 05: EBITDA per store growth at 1.2%


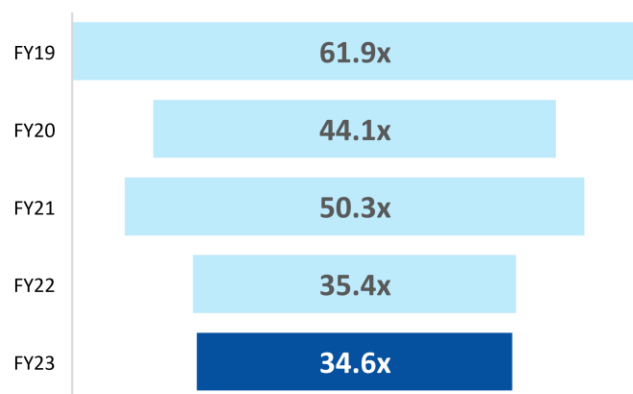
Source: Company Analysis

Exhibit 06: LFL blocked at -1.3%


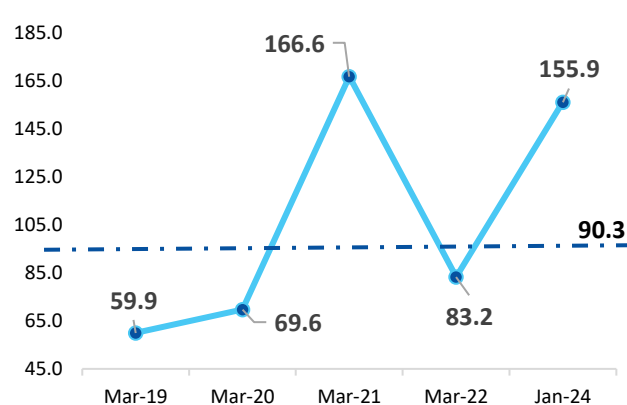
Source: Company Analysis

Jubilant FoodWorks Ltd.

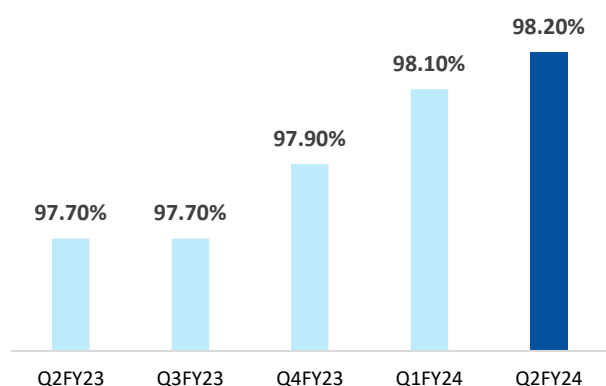
Key Exhibits

Exhibit 07: EV/EBITDA near the median of 33.0x


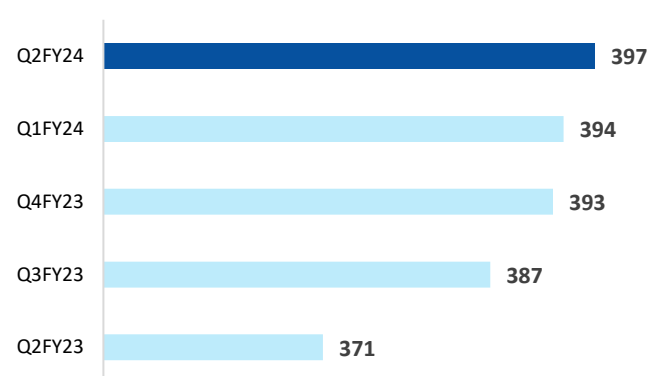
Source: Company Analysis

Exhibit 08: PE ratio higher than the median PE


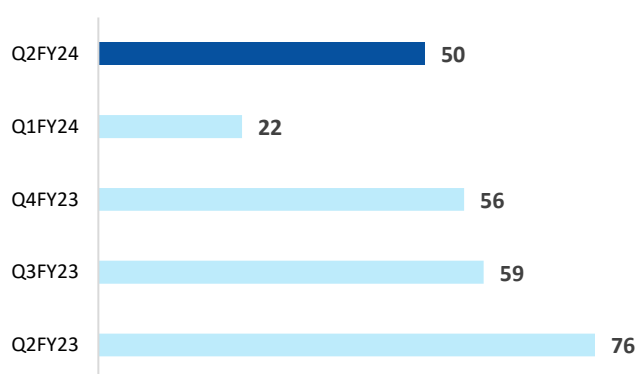
Source: Company Analysis

Exhibit 09: OLO contribution at the peak


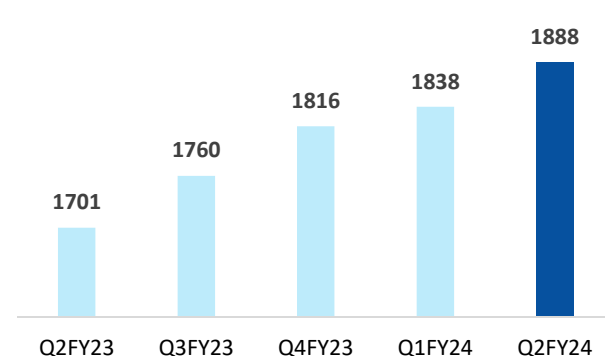
Source: Company Analysis

Exhibit 10: Dominos - Most Penetrated QSR chain


Source: Company Analysis

Exhibit 11: Opening stores in white spaces


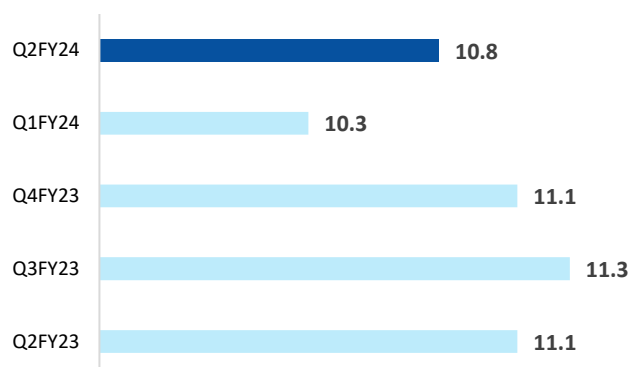
Source: Company Analysis

Exhibit 12: Opening in smaller cities, 50 stores added


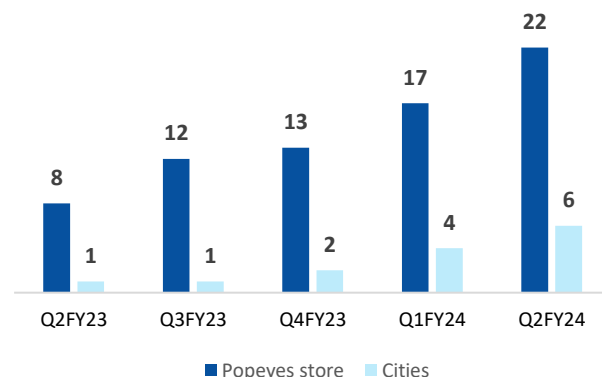
Source: Company Analysis

Jubilant FoodWorks Ltd.

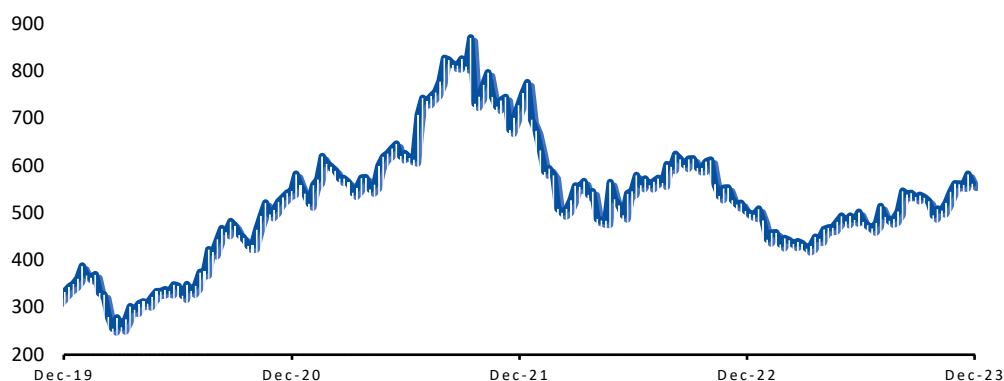
Key Exhibits

Exhibit 13: Drop of 0.3 million MAU from Q2FY23


Source: Company Analysis

Exhibit 14: 22 Popeyes stores in 6 cities


Source: Company Analysis

Exhibit 15: Price Chart – 5Y weekly


Source: Company Analysis

Exhibit 16: Forensic Analysis

Parameters	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Sales Growth	6.0%	16.8%	18.0%	10.2%	-15.7%	32.7%	17.3%
Debtor Growth	29.0%	-2.8%	75.3%	-39.4%	1.0%	31.3%	30.3%
Inventory Growth	10.1%	5.7%	20.0%	22.9%	40.6%	21.1%	9.8%
Debtors/Sales	0.6%	0.5%	0.8%	0.4%	0.5%	0.5%	0.6%
Inventory/Sales	2.4%	2.1%	2.2%	2.4%	4.0%	3.7%	3.4%
CFO Growth	100.9%	3.5%	71.8%	3.1%	23.9%	10.3%	-100.0%
CFO/PAT	352.4%	208.4%	133.2%	261.1%	325.6%	222.5%	290.7%
CFO/EBITDA	83.2%	92.5%	70.3%	82.4%	96.2%	84.1%	90.3%
CFO/Sales	7.9%	13.6%	11.9%	18.5%	22.7%	21.2%	19.9%
Contingent Liability (mn)	154.0	180.0	500.0	554.0	1320.0	1240.0	1170.0
Contingent Liability Growth	92.5%	16.9%	177.8%	10.8%	138.3%	-6.1%	-6.5%
Contingent Liability % Net Asset	1.9%	1.9%	4.0%	4.9%	9.3%	6.4%	5.7%
Intangible Assets (mn)	450.0	370.0	390.0	385.0	380.0	630.0	1370.0
Intangible Assets Growth	32.4%	-17.8%	5.4%	-1.3%	-1.3%	65.8%	117.5%
Intangible Assets % Total Assets	5.6%	3.8%	3.1%	3.4%	2.7%	3.2%	6.7%
Miscellaneous Expenses (mn)	610.0	730.0	860.0	870.0	650.0	914.0	1157.0
Miscellaneous Expenses Growth	-38.4%	19.7%	17.8%	1.2%	-25.3%	40.0%	26.4%
Miscellaneous Expenses % Total Sales	2.4%	2.4%	2.4%	2.2%	2.0%	2.1%	2.2%
Related Party Sale (mn)	-	-	24.0	55.0	16.0	85.0	122.0
Related Party Sale % Total Sale	-	-	0.1%	0.1%	0.0%	0.2%	0.2%

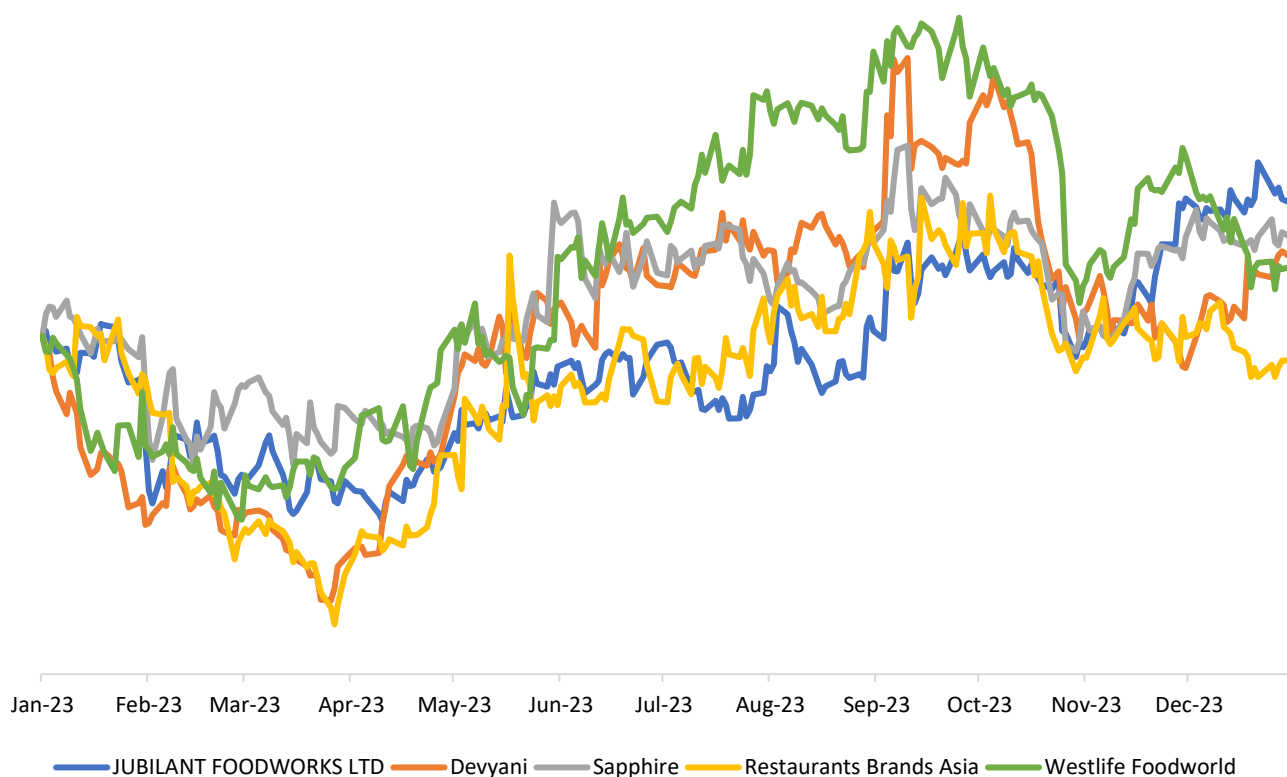
Source: Company Analysis

Jubilant FoodWorks Ltd.



Peer Comparison

Peer Stock Performance (1Y) - Indexed



Sr. No.	Name	CMP	Mar Cap	PEG	P/E	Debt	Int Coverage	ROCE	ROE	EBITDA Margin	CFO EBITDA
1	Jubilant Food.	561.8	37,070	12.3	157.71	2,608	2.6	16.2%	18.1%	21.0%	90.0%
2	Devyani Intl.	193.2	23,297	2.0	109.63	1,683	2.3	18.4%	33.9%	21.0%	97.0%
3	Westlife Food	814.0	12,693	1.4	117.9	1,265	2.4	14.8%	21.7%	17.0%	91.0%
4	Sapphire Foods	1,409.4	8,976	0.8	43.12	1,070	2.1	9.8%	20.7%	20.0%	89.0%
5	Restaurant Brand	112.1	5,560	-	-	1,199	(1.0)	-6.9%	-23.7%	8.0%	111.0%

Jubilant FoodWorks Ltd.

Analyst Coverage Universe

Sr. No	Date	Research House	Rating	LTP	Target
1	01-Sep-23	Geojit BNP Paribas	Hold	561.7	550.0
2	26-Oct-23	HDFC Securities	Accumulate	561.7	500.0
3	25-Oct-23	Prabhudas Lilladhar	Hold	561.7	505.0
4	13-Sep-23	HDFC Securities	Accumulate	561.7	500.0
5	04-Aug-23	Geojit BNP Paribas	Buy	561.7	563.0
6	26-Jul-23	HDFC Securities	Accumulate	561.7	500.0
7	26-Jul-23	ICICI Securities Limited	Buy	561.7	590.0
8	25-Jul-23	Prabhudas Lilladhar	Hold	561.7	490.0
9	19-May-23	ICICI Securities Limited	Buy	561.7	600.0
10	18-May-23	HDFC Securities	Accumulate	561.7	475.0
11	18-May-23	ICICI Securities Limited	Buy	561.7	600.0
12	17-May-23	Motilal Oswal	Buy	561.7	560.0
13	17-May-23	Prabhudas Lilladhar	Accumulate	561.7	515.0
14	07-Mar-23	ICICI Securities Limited	Buy	561.7	630.0
15	12-Feb-23	ICICI Securities Limited	Buy	561.7	630.0
16	09-Feb-23	Geojit BNP Paribas	Buy	561.7	520.0
17	03-Feb-23	Bonanza	Buy	561.4	607.0
18	02-Feb-23	HDFC Securities	Sell	561.4	475.0
19	02-Feb-23	ICICI Securities Limited	Buy	561.4	630.0
20	18-Jan-23	Prabhudas Lilladhar	Buy	561.4	610.0
21	28-Dec-22	Prabhudas Lilladhar	Buy	561.4	610.0

Source: Trendlyne

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