

Case Study

Jimmy's is a high end casual dining brand, established in the UK, but looking to roll out to Asia in 2022. Set out below are its summary financials and forecasts in £m.

Year to 31 December		2018	2019	2020	2021	2022	2023	2024
Revenue								
UK		100	120	90	60	120	140	150
Asia						25	75	150
EBITDA								
UK		10	12	7	5	12	14	15
Asia						3	9	18

EBITDA = earnings before interest, tax, depreciation and amortization – don't panic if you are not an accountant, just think of it as "profit".

How risky are these forecasts? What factors would you think about in planning the Asian roll out in terms of its sales and profit in the early years. If you were meeting the company what questions would you want to ask about the business and its growth. (10 marks)

Restaurants are often valued by multiples of revenue or multiples of EBITDA. Bearing this in mind, and with some internet research, what do you think Jimmy's is worth. Please quote your sources and research. (10 marks)

There are no "right" answers – just try to think commercially))