

## Jubilant Foodworks (JUBI) - ADD

### Q2FY26 Result Update

Current Market Price (CMP) <b>Rs.574</b>	Fair Value (FV) <b>Rs.680</b>
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### Rationale:

- JUBI's standalone revenue grew 15%/20% yoy, led by Domino's (India) 9.1% LFL growth.
- The delivery channel grew 21.6%.
- Management is eyeing 15% system sales growth starting in Q3.
- Confident of delivering margin expansion in line with the guidance of 200+ bps expansion over FY2025-28E.
- JUBI stands out in the QSR pack for its superior execution and resilient operating performance.
- We expect earnings to grow by 36.4% in FY27E & grow by 23.1% in FY28E.
- Stock is currently trading at valuation of 71.9x P/E FY28E EPS.
- We tweak estimates, roll over and revise FV to Rs680 (from Rs705). ADD.

### 👍 Positives:

- Standalone revenue grew 15.8% yoy to Rs1700 cr (in line).
- There was 15.5%/14.8%. revenue/order growth in Domino's India.
- EBITDA grew 19.8% yoy to Rs205 cr (1% beat).
- JUBI delivered four consecutive quarters of 15-18% system sales growth.

### 👎 Negatives:

- Gross Margins declined 170 bps yoy to 74.4% (in line; up 25 bps qoq).



The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months

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<b>BUY</b>	– We expect the stock to deliver more than 15% returns over the next 12 months
<b>ADD</b>	– We expect the stock to deliver 5% - 15% returns over the next 12 months
<b>REDUCE</b>	– We expect the stock to deliver -5% - +5% returns over the next 12 months
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<b>NA</b>	– <b>Not Available or Not Applicable.</b> The information is not available for display or is not applicable
<b>NM</b>	– <b>Not Meaningful.</b> The information is not meaningful and is therefore excluded.
<b>NOTE</b>	– Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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