



**A mid-2023 investment with sharp returns  
in a tough market, what lies ahead?**

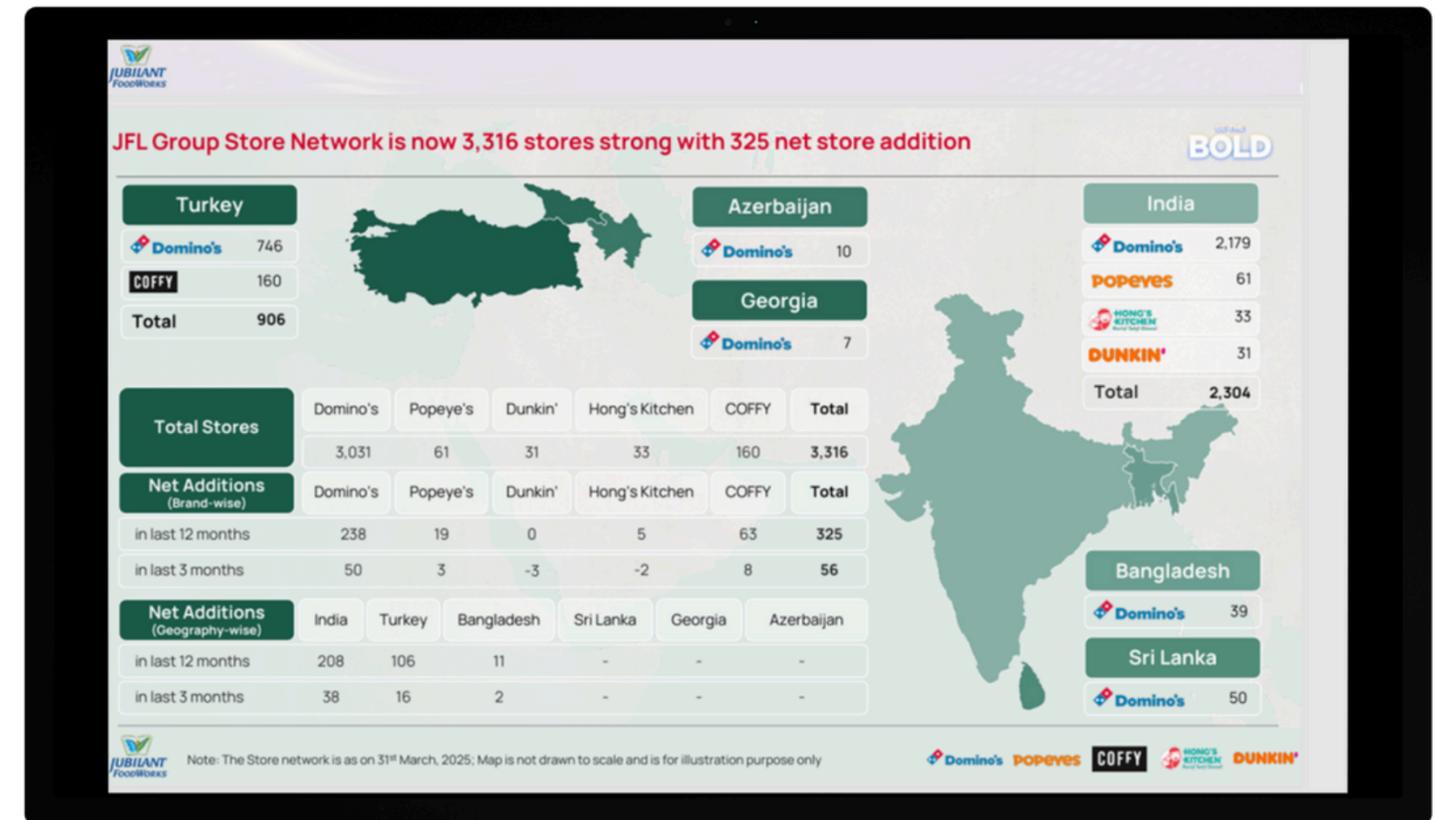
June 18, 2025	
Jubilant Foodworks	677.65

## About Jubilant FoodWorks



### A Leading Food-Tech Operator Across Emerging Markets

- Incorporated in 1995, Jubilant FoodWorks Limited (JFL) is among the leading food-tech players in emerging markets.
- Operates 3,316 stores across six countries: India, Turkey, Bangladesh, Sri Lanka, Azerbaijan, and Georgia.
- Holds exclusive franchise rights for Domino's, Dunkin', and Popeyes, with two owned brands:
  - Hong's Kitchen (Indo-Chinese QSR, India)
  - COFFY (Café format, Turkey)



JFL is 3,316 stores strong with 325 net store addition in FY'25



## Why We Invested

### Entered on Valuation Reset and Business Inflection (Jul '23 @ ₹480)

- We entered Jubilant FoodWorks when the stock was undergoing de-rating due to fundamental and technical pressures:
- Revenue decline and margin erosion led to negative growth
- PE ratio de-rated from 100x to <60x, with OCF yield crossing 3%
- Consistent FII selling added technical pressure

### Our Thesis at Entry:

- Margins were bottoming out, with renewed cost control focus
- Slower capex rollout expected to support cost control
- Post-COVID demand rationalization nearing end

### PRICE PERFORMANCE DURING THIS PERIOD COMPARED TO NIFTY AND ITS PEERS

NIFTY	25.82%
JUBLFOOD	42.65%
SAPPHIRE	15.66%
DEVYANI	-15.84%
WESTLIFE	-23.78%
BARBEQUE	-50.82%



Since entry (Jul 2023), stock is up ~40% vs tepid returns from Nifty & FMCG indices.

## What's Happened Since

### Market Share Over Margins: Growth Returns

- LFL (like-for-like) growth turned positive post June '23, shifting strategy toward market share gains via pricing, LFL growth for preceding quarters attached
- JFL saw substantial growth in revenue as stores added in previous years started to monetized
- The same is not reflecting in PAT as depreciation saw a sharp jump
- **Peers continue to struggle**, but JFL has seen improved topline momentum
- However, **broader QSR industry remains pressured**, with:
  - Investor interest declining
  - Continued FII selling
  - Margins, PAT, and revenue under pressure across players (as seen in next slide)

Data: 2023 to 2025

Jubilant FoodWorks Limited	
Financial Year	%
Q1FY23	28.30%
Q2FY23	8.40%
Q3FY23	0.30%
Q4FY23	-0.60%
Q1FY24	-1.30%
Q2FY24	-1.30%
Q3FY24	-2.90%
Q4FY24	0.10%
Q1FY25	3.00%
Q2FY25	2.80%
Q3FY25	12.50%
Q4FY25	12.10%

# What's Happened Since

Data: 2023 to 2025

## Jubilant Peer Comparison



Devyani International				
Particulars	Mar-25	Dec-24	Sep-24	Jun-24
Revenue Growth YOY	39.20%	53.50%	49%	44.30%
EBITDA Margin	16.60%	16.90%	16.30%	18.30%
Pat in millions	-168	-76	-49	224

SSSG				
Particulars	Mar-25	Dec-24	Sep-24	Jun-24
KFC India	-6.10%	-4.40%	-7.00%	-7.00%
PH India	1.00%	-0.80%	-5.70%	-8.60%
Costa India	3.50%	5.10%	8.70%	0.60%
Vaango India	9.10%	9.60%	11.50%	3.50%



Sapphire Foods				
Particulars	Mar-25	Dec-24	Sep-24	Jun-24
Revenue Growth YOY	13.00%	14.00%	8%	10.00%
EBITDA Margin	16.00%	18.50%	16.60%	17.30%
Pat in millions	20	120.7	-62	82

SSSG				
Particulars	Mar-25	Dec-24	Sep-24	Jun-24
KFC	-1%	-3.00%	-8.00%	-6.00%
Pizza Hut	1.00%	5.00%	-3.00%	-7.00%
Sri Lanka Business	16.00%	14.00%	9.00%	11.00%



Westlife Foodworld				
Particulars	Mar-25	Dec-24	Sep-24	Jun-24
SSSG	0.70%	2.80%	-6.50%	-6.70%
Revenue Growth YOY	7.30%	8.90%	0.60%	0.30%
EBITDA Margin	13.20%	14.00%	12.80%	13.00%
Pat in millions	15.1	70.5	3.5	32.5



Barbeque Nation				
Particulars	Mar-25	Dec-24	Sep-24	Jun-24
SSSG	-5.50%	-2.70%	-1.60%	0.90%
Revenue Growth YOY	-1.80%	-0.60%	1.30%	-5.60%
EBITDA Margin	18.20%	18.70%	14.90%	16.60%
Pat in millions	-206	51	-71	-55

## Looking Ahead

### Caution Ahead: Growth Strategy Could Cap Profitability

We believe the current strategy favors market share over profitability, which raises key risks:

- Cost controls are positive, but sustainable margins need pricing power
- In a commodity product space, growth is only durable if branding & innovation lead
- Despite declining profits, the stock has moved up
- Current valuations appear steep and hard to justify



We remain cautious on risk reward and will closely monitor the same .



# Thank You

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Contact your financial advisor or reach us directly  
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