

Retail

Sector Update

April 23, 2026

Jubilant FoodWorks (JUBI IN)

RATING BUY | CMP INR 493 | TP INR 584

Key Financials - Standalone

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (INR mn)	61,047	68,878	79,735	94,170
EBITDA (INR mn)	11,807	13,370	15,607	19,485
Margin (%)	19.3	19.4	19.6	20.7
PAT (INR mn)	2,188	2,352	3,501	5,890
EV (INR mn)	326,358	323,606	319,262	313,144
Total Debt (INR mn)	2,565	2,200	1,600	1,300
C&C Eq. (INR mn)	548	28	(786)	(1,012)
EPS (INR)	3.3	3.6	5.3	8.9
Gr. (%)	(11.0)	7.5	48.9	68.2
DPS (INR)	1.3	2.0	4.0	6.0
Yield (%)	0.3	0.4	0.8	1.2
RoE (%)	9.8	9.8	13.4	20.5
RoCE (%)	20.6	21.3	25.5	33.9
EV/Sales (x)	5.3	4.7	4.0	3.3
EV/EBITDA (x)	27.6	24.2	20.5	16.1
PE (x)	148.7	138.4	92.9	55.2
P/BV (x)	14.3	13.0	12.0	10.7

Westlife Foodworld (WESTLIFE IN)

RATING Acc | CMP INR 485 | TP INR 552

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (INR mn)	24,902	26,140	30,448	35,718
EBITDA (INR mn)	3,189	3,387	4,326	5,369
Margin (%)	12.8	13.0	14.2	15.0
PAT (INR mn)	121	(44)	387	933
EV (INR mn)	76,452	76,205	75,560	74,545
Total Debt (INR mn)	3,081	2,881	2,681	2,481
C&C Eq. (INR mn)	589	922	1,152	1,346
EPS (INR)	0.8	(0.3)	2.5	6.0
Gr. (%)	(82.8)	(136.5)	(973.8)	141.2
DPS (INR)	-	0.8	1.1	3.0
Yield (%)	-	0.2	0.2	0.6
RoE (%)	2.0	(0.7)	6.5	14.9
RoCE (%)	13.2	12.4	20.9	29.3
EV/Sales (x)	3.1	2.9	2.5	2.1
EV/EBITDA (x)	24.0	22.5	17.5	13.9
PE (x)	1(1,706.3)	195.3	81.0	
P/BV (x)	12.5	13.0	12.5	11.6

Restaurant Brands Asia

RATING Acc | CMP INR 64 | TP INR 74

Key Financials - Standalone

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (INR mn)	19,678	22,744	26,914	31,725
EBITDA (INR mn)	2,843	3,341	4,409	5,371
Margin (%)	14.4	14.7	16.4	16.9
PAT (INR mn)	(876)	(518)	130	952
EV (INR mn)	32,949	34,149	31,736	31,340
Total Debt (INR mn)	1,269	500	600	500
C&C Eq. (INR mn)	5,210	2,998	13,717	19,233
EPS (INR)	(1.5)	(0.9)	0.2	1.2
Gr. (%)	8.7	(40.8)	(120.5)	554.9
DPS (INR)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	(4.3)	(2.3)	0.5	2.7
RoCE (%)	1.4	2.2	4.0	4.6
EV/Sales (x)	1.7	1.5	1.2	1.0
EV/EBITDA (x)	11.6	10.2	7.2	5.8
PE (x)	(42.4)	(71.7)	1	53.4
P/BV (x)	1.6	1.7	1.4	1.3

Disruption behind; recovery underway

Quick Pointers

- LPG-related disruptions are largely resolved, with residual impact now negligible.
- Power and Fuel cost to increase due to higher cost of Power/LPG post transition
- Demand outlook remain steady to positive vs Q4FY26

We conducted channel checks across key QSR players, which indicate that the recent LPG shortage led to a short-lived but meaningful disruption, impacting store uptime, throughput and delivery timelines; however, operations have now largely normalized. Encouragingly, underlying demand remained resilient during the disruption and has rebounded swiftly post normalization, with improving footfalls and healthy traction seen in April. Players have demonstrated strong operational agility through rapid transition to electric equipment, effectively mitigating supply-side risks and restoring full-scale operations. However, elevated LPG procurement prices and transition-related costs are likely to weigh on margins in the near term.

Overall, we turn constructive on the sector, with SSSG/LFL recovery expected from 1QFY26, supported by seasonal tailwinds, while margins remain a key monitorable over the next 1–2 quarters. JUBI remains our top pick, driven by normalization in demand trends and relatively lower competitive intensity vs peers, although margin trajectory will be a key monitorable. We maintain BUY on JUBI with a SOTP-based TP of Rs584. Post the recent correction and with potential recovery in demand, we see RBA/WFL as attractive on a staggered buying approach; we retain Accumulate on both with SOTP-based TP of Rs74/Rs552, respectively.

JUBI – LFL recovery likely from 1Q; margins remain key monitorable

- Channel checks suggest the recent LPG shortage led to a temporary but meaningful disruption, with multiple stores witnessing ~1–2 weeks of disruption. This resulted in a short-term decline in sales/throughput, driven by store closures and elongated delivery timelines. However, demand recovery has been swift post normalization, indicating no structural demand impairment.
- On the cost side, acute LPG supply constraints forced procurement at much higher prices, leading to near-term margin pressure, further exacerbated by negative operating leverage. A key mitigating factor has been the rapid transition towards electric ovens, enabling resumption of full-scale operations and normalization of order flows. Notably, there was no evidence of menu rationalisation across stores.
- We believe the LPG issue is transient and supply-driven, with no structural impact on underlying demand. While 4Q may reflect significant pressure, we expect LTL recovery from 1Q, although margins are likely to remain under pressure over the next 1–2 quarters. We expect sales/EPS to grow at CAGR of 16.9%/58.6% over FY26-FY28

Westlife Foodworld – Operations normalized; demand trends remain healthy

- Channel checks indicate operations have largely normalized, with a meaningful transition towards electric equipment mitigating LPG dependency. Current usage of LPG is limited, with most operations running on electric infrastructure.
- Sales trajectory across key outlets remains robust, with no visible demand disruption during the LPG shortage. Footfall trends have improved, with April witnessing healthy traction vs Q4, and stores expect momentum to sustain through Q1FY26, supported by summer holidays and IPL-led demand.
- We believe WFL has effectively navigated the supply disruption through swift operational adjustments, with limited impact on demand. Near-term margins could see some pressure; however, strong execution and stable throughput should support recovery. We expect Sales/post IND AS EBITDA to grow at CAGR of 16.9%/25.9% over FY26-FY28

RBA – Smooth transition to electric; demand remains intact

- Channel checks suggest a complete transition to electric ovens across stores, with no residual impact from the LPG shortage on operations. Stores are fully functional, with strong and sustained footfall trends across region.
- Despite temporary disruptions in select periods, recovery has been swift, with recent trends indicating improved footfalls and normalization in sales.
- We believe RBA has demonstrated strong operational agility in navigating the disruption, with no structural impact on demand. While margins remain a near-term monitorable, driven by elevated input costs amid transition to electric fryers during the disruption phase, demand outlook remains intact with improving momentum. We expect Sales/Post IND AS EBITDA to grow at 18.1%/26.9% over FY26-FY28

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Asian Paints	Hold	2355	2270
2	Avenue Supermarts	Hold	4362	4416
3	Britannia Industries	BUY	6792	5475
4	Colgate Palmolive	Hold	2174	1907
5	Dabur India	HOLD	467	429
6	Emami	Accumulate	484	419
7	Hindustan Unilever	Accumulate	2431	2133
8	ITC	Reduce	308	303
9	Jubilant FoodWorks	BUY	584	428
10	Marico	Accumulate	800	747
11	Metro Brands	Accumulate	1156	997
12	Nestle India	Accumulate	1504	1380
13	Pidilite Industries	BUY	1729	1347
14	Restaurant Brands Asia	Accumulate	74	62
15	Titan Company	BUY	5103	4440
16	Westlife Foodworld	Accumulate	552	457

PL's Recommendation Nomenclature (Absolute Performance)

BUY	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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