

Retail

Sector Update

March 27, 2026

Jubilant FoodWorks (JUBI IN)

RATING BUY | CMP INR 462 | TP INR 600

Key Financials - Standalone

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (INR mn)	61,047	69,591	80,373	94,425
EBITDA (INR mn)	11,807	13,736	15,921	19,737
Margin (%)	19.3	19.7	19.8	20.9
PAT (INR mn)	2,188	2,691	3,826	6,164
EV (INR mn)	306,068	302,633	298,026	291,708
Total Debt (INR mn)	2,565	2,200	1,600	1,300
C&C Eq. (INR mn)	548	703	153	132
EPS (INR)	3.3	4.1	5.8	9.3
Gr. (%)	(11.0)	23.0	42.2	61.1
DPS (INR)	1.3	2.0	4.0	6.0
Yield (%)	0.3	0.4	0.9	1.3
RoE (%)	9.8	11.2	14.4	20.9
RoCE (%)	20.6	22.7	26.5	34.1
EV/Sales (x)	5.0	4.3	3.7	3.1
EV/EBITDA (x)	25.9	22.0	18.7	14.8
PE (x)	139.4	113.4	79.7	49.5
P/BV (x)	13.4	12.0	11.0	9.8

Restaurant Brands Asia (RBA IN)

RATING ACCUMULATE | CMP INR 60 | TP INR 82

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)	30,434	31,635	28,666	27,900
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)	1.5	1.4	1.1	0.9
EV/EBITDA (x)	10.7	9.5	6.5	5.2
PE (x)	(39.5)	(66.8)	1	49.8
P/BV (x)	1.5	1.6	1.3	1.2

Westlife Foodworld (WESTLIFE IN)

RATING ACCUMULATE | CMP INR 437 | 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	3,413	4,326	5,369
Margin (%)	12.8	13.1	14.2	15.0
PAT (INR mn)	121	(19)	389	935
EV (INR mn)	69,045	68,770	68,124	67,109
Total Debt (INR mn)	3,081	2,881	2,681	2,481
C&C Eq. (INR mn)	589	950	1,181	1,375
EPS (INR)	0.8	(0.1)	2.5	6.0
Gr. (%)	(82.8)	(115.7)	(2,140.7)	140.5
DPS (INR)	-	0.8	1.1	3.0
Yield (%)	-	0.2	0.3	0.7
RoE (%)	2.0	(0.3)	6.5	14.9
RoCE (%)	13.2	12.7	20.8	29.2
EV/Sales (x)	2.8	2.6	2.2	1.9
EV/EBITDA (x)	21.7	20.2	15.7	12.5
PE (x)	1	(3,577.8)	175.3	72.9
P/BV (x)	11.3	11.7	11.2	10.4

Demand mixed, risk reward favorable

Quick Pointers

- QSR demand remains intact – Westlife, RBA/JUBI all in positive SSG, world cup helps sustain demand.
- LPG disruptions are a near term challenge, most players have done some menu tweaks, but no major impact likely on sales in near term

We expect the QSR sector to witness a mixed demand environment in the near term, with recovery remaining uneven across players and formats. While 4QFY26 saw a gradual sequential improvement supported by event-led demand (T20 World Cup) and traction in value offerings, underlying consumption trends continue to remain volatile amid pressure on discretionary spending. Category leaders such as Domino's are gaining share, driven by superior delivery execution, faster turnaround times, and aggressive value-led strategies, while peers like Pizza Hut continue to face demand and throughput challenges amid operational inefficiencies. Westlife's performance remains constrained by muted demand trends in south India although QoQ growth seems to be picking up. RBA has seen good demand partly aided by cricket T20 world cup.

Supply-side challenges, particularly LPG shortages arising from geopolitical tensions, have emerged as a key near-term overhang for the sector. While players with higher electrification (select Burger King/WFL stores) remain relatively better insulated, older store networks across QSR chains could face intermittent disruptions, leading to menu rationalization, throughput constraints, and potential delivery delays. Additionally, limited near-term flexibility to transition from LPG to electrical systems given import dependency and long lead times further exacerbates the risk.

Overall, we believe the sector could see divergent performance, with market share consolidation in favour of operationally stronger players as restaurants come under pressure. However, near-term SSSG is likely to remain under pressure (flat to negative for select players), with recovery contingent on easing supply-side constraints and improvement in discretionary demand. We note that most QSR stocks have seen big corrections from the peak, which limits downside. We upgrade WFL from Hold to Accumulate and retain Buy on Jubilant Foodworks while retaining Accumulate on RBA.

Jubilant Foodworks: World cup demand might mitigate LPG led disruption

- Overall demand witnessed a sequential improvement in 4Q26. While January saw a decent start, momentum picked up meaningfully in February driven by healthy footfall growth with strong traction in value pizzas and the T20 World Cup held in India during this period. However, JUBL faced disruption in March due to an LPG shortage arising from the Iran-Israel conflict.

- Domino's core pizza baking typically utilizes a combination of electric and LPG based ovens. Our channel checks indicate that Jubilant Foodworks is gradually transitioning towards electric ovens and other LPG alternatives. However, given Domino's delivery-led model, even minor disruptions can adversely impact order conversion and repeat demand. We believe prolonged war and LPG disruption can impact sales/margins to some extent; delivery promise slippage and menu unavailability are key earnings risk.
- The T20 World Cup, held from 7th February to 8th March 2026, provided Jubilant Foodworks with a strong opportunity to capture incremental demand and reinforce brand equity during the period. Domino's predictable delivery times and value for money offerings supported higher delivery demand, outperforming dine in formats during the tournament.
- Dominos continues to gain share in Tier-1 markets, driven by faster delivery (sub-20 mins) and aggressive discounting. In contrast, Pizza Hut is witnessing pressure amid elevated competitive intensity, with channel checks indicating a sharp decline in average daily orders and longer delivery timelines (~30–40 mins). The widening gap in speed and throughput is increasingly skewing consumer preference toward Domino's versus other QSR pizza players.
- We expect Sales/EBITDA/PAT to grow by 10.7%/15%/19.5% YoY in Q4FY26. We cut FY26/27/28 EPS estimates by 5.1/12.3/6.1% with 42% EPS CAGR on a low base. We retain Buy with target price of Rs600 (Rs666 earlier).

WFL: Demand flattish, LPG shortage to impact older stores

- We expect near-term demand conditions mixed as west continues to do better than south markets. We expect flattish to low single digit SSG growth. January witnessed modest sequential improvement, February was led by world cup and higher AOV was observed in select catchments. March has seen some disruption due to LPG issue (~10% of stores) but there have been tweaks in Menu and delivery catchment realignments to largely curtail the impact.
- We note that near-term transition from LPG-based systems to electrical alternatives appears constrained, given the reliance on imported equipment and extended times for procurement and installation. As a result, any meaningful conversion seems unlikely in immediate term.
- Operationally, regions facing acute challenges may see temporary menu rationalization, with a shift towards non-fried and relatively healthier offerings (e.g., salad wraps, salads, burgers), Egg based and lower fried SKUs. Some stores might see some impact, but overall impact seems less than restaurant industry.
- Overall, we expect flattish to low single digit SSSG in 4Q26, with some delay in the anticipated recovery trajectory.
- We expect 4Q26 Sales/EBITDA to grow by 6.7%/ 15% YoY on a low base with Adj. PAT at Rs58mn. WFL has nearly halved from 52 week high and is trading at 16.8x FY28E Pre INDAS EV/EBIDTA. We upgrade the stock from Hold to Accumulate with a DCF based target price of Rs552.

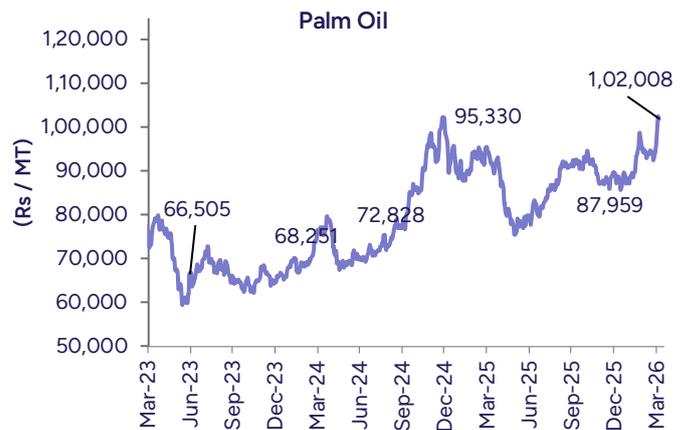
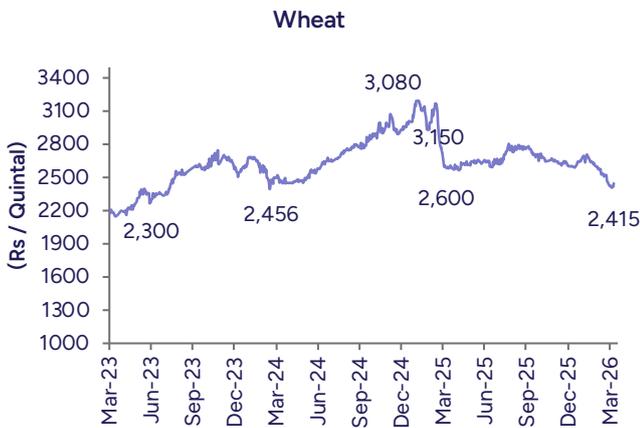
RBA: Demand largely stable, LPG issue may lead to menu rationalisation

- Channel checks for RBA indicate that overall demand remains muted across the network, with average ticket size witnessing a marginal QoQ decline, reflecting a shift toward value offerings and continued pressure on discretionary spending. January saw no significant pick up, while February witnessed a gradual recovery supported by demand during the T20 World Cup. Additionally, heightened competition from standalone burger chains remains intense.

- RBA has seen some impact in stores with LPG shortage hitting flame grilled whopper burgers, which has resulted in some menu alterations. Burger King might look at replacement of those grillers and fryers, however as a significant portion of RBA stores are equipped with electric ovens and grills, impact of LPG shortages is limited. Moreover, as other restaurants are under pressure, BK has been able to attract more consumers, which is helping it sustain growth.
- We expect sales/EBIDTA to grow by 17.6/23.6% YoY while Adj. PAT loss is likely to come at Rs152mn in 4QFY26 vs 254mn in Q4FY25. Retain Accumulate with target price of Rs82. Any restructuring of Indonesia business can be a key trigger to stock re-rating.

Exhibit 1: Wheat prices down by 3.1%/13.1% QoQ/YoY

Exhibit 2: Palm oil prices are up by 5.8%/3.0% QoQ/YoY



Source: Company, PL

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Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Asian Paints	Hold	2355	2262
2	Avenue Supermarts	Hold	3783	3801
3	Britannia Industries	BUY	6972	6019
4	Colgate Palmolive	Hold	2319	2113
5	Dabur India	Hold	525	510
6	Emami	Accumulate	571	489
7	Hindustan Unilever	Accumulate	2609	2410
8	ITC	Reduce	314	319
9	Jubilant FoodWorks	BUY	666	554
10	Kansai Nerolac Paints	Accumulate	255	238
11	Marico	Accumulate	816	806
12	Metro Brands	Hold	1181	1026
13	Mold-tek Packaging	Accumulate	746	608
14	Nestle India	Hold	1394	1333
15	Pidilite Industries	BUY	1734	1460
16	Restaurant Brands Asia	Accumulate	82	63
17	Titan Company	BUY	4917	4269
18	Westlife Foodworld	Hold	552	477

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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