

Jollof Express, First Look

Student brief

Jollof Express Limited operates twelve quick-service restaurants across Accra — Osu, Airport Residential, Spintex, East Legon, Achimota, Madina, and six others. Founded in 2011. Ghanaian menu, fast service, mostly office and student trade. **All twelve outlets are company-owned; there is no franchising.**

A private-equity fund has approached the founders about acquiring the business. The founders have asked Mountain River what it is worth.

Mountain River has already produced a discounted cash flow, which values the equity at **GH¢82 million**. Today's session is the comparables work.

Exhibit 1 • Jollof Express financial profile

JOLLOF EXPRESS • LATEST FINANCIAL YEAR

GH¢ millions

LINE	AMOUNT
Revenue	96.0
EBITDA	14.4
EBITDA margin	15.0%
Depreciation and amortisation	(2.4)
EBIT	12.0
Interest	(1.2)
Pretax income	10.8
Tax at 25%	(2.7)
Net income	8.1
BALANCE SHEET ITEMS	
Cash	3.5
Bank debt	9.0
Net debt	5.5

Exhibit 2 • Three candidate comparable sets

Illustrative multiples. Instructors should refresh from current market data.

COMPARABLE SET	CHARACTER	MEDIAN EV/EBITDA
Global QSR groups	Large international chains, predominantly franchisors	14.50×
Emerging-market QSR operators	Listed restaurant groups in Brazil, India, South-East Asia, Turkey	8.75×
African listed food & beverage	Consumer food businesses listed in Accra, Lagos, Nairobi, Johannesburg — mostly manufacturers	5.75×

The African set also trades at a median P/E of 8.0×

Question 1 · 15 minutes

Apply each of the three comparable sets to Jollof Express. For each, compute the implied enterprise value and the implied equity value.

Report the range.

Question 2 · 13 minutes

Start from the global multiple of 14.5× and walk it down to a figure you would defend for Jollof Express.

Name every adjustment, its direction, and its rough size. Then compare where you land with the African comparable median.

Question 3 · 9 minutes

You now have several estimates: three unadjusted comparable sets, your adjusted multiple, a P/E figure, and the DCF at GH¢82 million.

What range would you take into a negotiation on the founders' behalf, and how would you explain it to them in plain language?