

DP Poland PLC

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DP Poland tipped to benefit as discounter exits Polish pizza market

DP Poland PLC (LON:DPP) should get a boost from the exit from the Polish market of cut-price competitor Telepizza, according to broker Peel Hunt.

Telepizza has 107 stores and is one of DP Poland's larger competitors, but these are being sold to Amrest, which runs Pizza Hut Poland.

WATCH: DP Poland anticipating boost from discount rival's exit
Amrest is a Warsaw-listed international restaurant and café business and the broker expects it to close some Telepizza stores and convert the others to Pizza Hut or one of its other brands.

Even though Pizza Hut is growing in Poland, Telepizza was a discount operator that was competing largely on price and its exit should allow a bit more wriggle room on promotions.

DP Poland might also be able to pick up experienced Telepizza sub-franchisees displaced through the deal.

In May, Telepizza and Pizza Hut agreed a global partnership and today's announcement 'feels more like a bit of a tidy-up around the edges of that deal, rather than a change of strategic direction for Amrest in relation to pizza in Poland,' said the broker.

"Overall we expect the impact on DP Poland to be positive as a low-priced competitor exits the market."

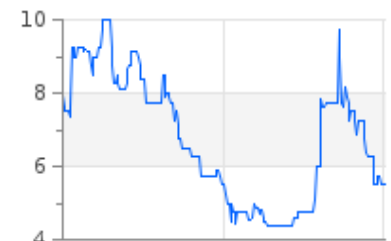
The broker has a buy recommendation and 75p target price.

Shares in DPP rose 3% to 29.5p.

Price: 5.5

Market Cap: £13.95 m

1 Year Share Price Graph



March 2019 September 2019 March 2020

Share Information

Code: DPP

Listing: AIM

52 week High Low
10.9 3.5996

Sector: Retail

Website: www.dppoland.com

Company Synopsis:

Domino's Pizza is operated in Poland by DP Polska S. A. (DPPSA), a Polish registered company which is wholly owned by DP Poland plc (DPP). DPP is a UK based company listed on the Alternative Investment Market (AIM).

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