

# Domino's Pizza

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## Market takes small bite out of Domino's Pizza after Liberum slices target price

Domino's Pizza Group PLC (LON:DOM) had a small chunk taken out of its share price on Thursday after analysts at Liberum trimmed their target price on the stock to 180p from 190p.

The move followed a profit warning from the FTSE 250 pizza chain last week, when it said its international business was unlikely to break even this year while in the UK and Ireland prices were up at the expense of volumes.

**READ:** Domino's Pizza warns on profits as overseas sales cool  
Like-for-like (LFL) sales in the UK for the 13 weeks to 31 March were up 3.1% and the ROI by 6.8%, against what was the toughest comparative quarter of the year. Order volumes, however, were down 2.7% on a LFL basis, though prices were up 5.1%. Items per order increased 0.7%.

The company also said at the time that new store openings would be slowed by a long-running dispute with franchisees about how to split profits.

Meanwhile, international LFL sales dropped 2% to £25.1mln, with like-for-like in Switzerland down 8.4%, Iceland falling 4.6% and total growth in Norway down 1%.

In a note, Liberum's analysts said they had downgraded their forecasts to reflect lower LFLs in the UK and Ireland, the greater losses in International and the lower rate of openings, adding that they saw "further risk" from margin pressures and "limited balance sheet flexibility".

"Domino's Pizza is not providing guidance on the number of openings, no guidance on the expected outturn for International and with [first quarter of 2019] trading highlighting some key concerns on price/volume mix, it would appear visibility on trading is also low," they said.

Liberum' analysts also reiterated a 'sell' rating on the shares, saying that while there were "multiple things" the company's management could do to turn the business around, they did not know why there was no fundamental action being taken.

In lunchtime trading, Domino's shares were down 0.3% at 253.6p.

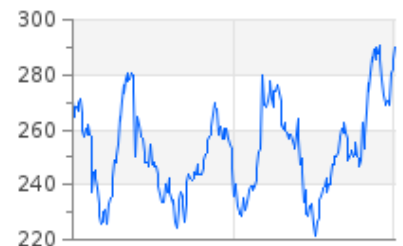
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**Price:** 290

**Market Cap:** £1.34 billion

### 1 Year Share Price Graph



November 2018 May 2019 November 20

### Share Information

**Code:** DOM

**Listing:** LSE

**52 week High Low**  
291.628 218.9

**Sector:** Leisure, gaming and gambling

**Website:** [www.dominos.uk.com](http://www.dominos.uk.com)

### Company Synopsis:

*Domino's Pizza holds the master franchise to own, operate and franchise Domino's Pizza stores in the UK and Irish markets. There are over 500 Domino's Pizza stores in a growing number of towns and cities throughout England, Scotland, Wales and Ireland.*

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