

RESTAURANT BRANDS ASIA

RESULT UPDATE

KEY DATA

Rating	BUY
Sector relative	Outperformer
Price (INR)	67
12 month price target (INR)	101
52 Week High/Low	94/59
Market cap (INR bn/USD bn)	39/0.4
Free float (%)	0.0
Avg. daily value traded (INR mn)	116.0

SHAREHOLDING PATTERN

	Sep-25	Jun-25	Mar-25
Promoter	11.27%	11.27%	11.27%
FII	20.64%	20.52%	20.37%
DII	40.07%	39.97%	40.45%
Pledge	0%	0%	0%

FINANCIALS

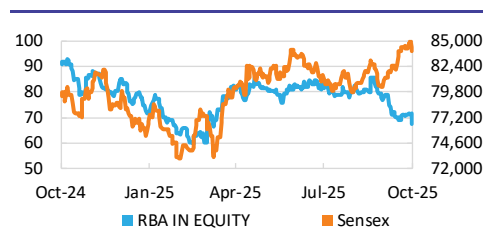
(INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue	25,507	28,022	31,959	36,672
EBITDA	2,684	3,047	4,086	5,196
Adjusted profit	(2,328)	(2,146)	(2,005)	(1,654)
Diluted EPS (INR)	(4.0)	(3.7)	(3.4)	(2.8)
EPS growth (%)	(16.4)	(7.8)	(6.6)	(17.5)
RoAE (%)	(30.6)	(27.3)	(34.6)	(41.7)
P/E (x)	nm	nm	nm	nm
EV/EBITDA (x)	11.6	11.7	8.8	6.8
Dividend yield (%)	0	0	0	0

CHANGE IN ESTIMATES

	Revised estimates		% Revision	
Year to March	FY26E	FY27E	FY26E	FY27E
Revenue	28,022	31,959	-2.4%	-2.3%
EBITDA	3,047	4,086	-8.8%	-3.9%
Adjusted profit	(2,146)	(2,005)	NM	NM
Diluted EPS (INR)	(3.7)	(3.4)	NM	NM

PRICE PERFORMANCE



Q3 starts on strong footing

RBA posted revenue/EBITDA growth of 15.6%/10.9% YoY in Q2FY26 with losses at INR202mn versus INR166mn in Q2FY25. SSSG was similar to past-quarter trends. Management anticipated a demand improvement in October and expects Q3FY26 to be good. Profitability improved at the gross level, but was reinvested to enhance service levels, keeping pre-Ind-AS margins stable YoY. Management reaffirmed their store addition plan and indicated meeting their margin guidance early.

Based on H1 performance, we are revising FY26E/27E revenue/EBITDA by -2.4/-8.8% and -2.3/-3.9%, respectively. On a roll forward to H1FY28, our revised TP comes to INR101 (INR99 earlier); retain 'BUY'.

India: Mimicking trend of previous quarters

RBA's India business clocked +15.6% YoY growth with SSSG at +2.8% (versus -3% in Q2FY25 and +2.6% in Q1FY26). ADS improved 0.8% YoY to INR119k (Q2FY25: INR118k). Gross margin improved to 68.3% driven by supply chain efficiencies and positive pricing correction in the delivery channel and management has guided for gross margin to reach 70% by FY29. In the conference call, management indicated the margin target could be met early with supply chain efficiencies implemented. Employee expenses rose 18.2% YoY. Opex rose 18.7% YoY/0.8% QoQ. This led to a 57bp YoY fall in EBITDA margin to 13.6%. Pre-Ind-AS EBITDA margins were stable at 5% YoY, aided by slower growth in corporate overheads driving operational leverage.

RBA opened 14 stores during the quarter taking store count to 533. The company added 25 BK Cafés in the quarter, taking the total to 507. Management has guided for reaching store count of 580 for FY26 implying addition of 67 stores for the year.

Indonesia: Decline continues; cost optimisation at play

The Indonesia business continued reporting a revenue decline of 4% YoY though the momentum of contraction is cooling off. This was mainly due to the company optimising its store network for Burger King. ADS growth for BK has been on a positive YoY trend. Management invested incremental cost toward marketing in BK, leading to negative EBITDA, which otherwise would have been positive. For Popeye's, management is trying to pivot the brand and has formed a separate team. Corporate G&A has been optimised significantly, down about 23% YoY, helping arrest losses. Management's focus on Indonesia remains on i) driving traffic and SSSG for BK, ii) reducing losses at Popeye's; and iii) continued G&A reduction.

Financials

Year to March	Q2FY26	Q2FY25	% Change	Q1FY26	% Change
Net Revenue	7,034	6,324	11.2	6,977	0.8
EBITDA	710	632	12.2	728	(2.5)
Adjusted Profit	(633)	(655)	NM	(454)	NM
Diluted EPS (INR)	(1.1)	(1.3)	NM	(0.8)	NM

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Financial Statements

Income Statement (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Total operating income	25,507	28,022	31,959	36,672
Gross profit	16,595	18,451	21,420	24,662
Employee costs	4,311	4,741	5,381	6,005
Other expenses	9,600	10,664	11,953	13,461
EBITDA	2,684	3,047	4,086	5,196
Depreciation	3,715	3,932	4,274	4,702
Less: Interest expense	1,609	1,828	2,167	2,487
Add: Other income	312	567	351	339
Profit before tax	(2,328)	(2,146)	(2,005)	(1,654)
Prov for tax	0	0	0	0
Less: Other adj	0	0	0	0
Reported profit	(2,328)	(2,146)	(2,005)	(1,654)
Less: Excp.item (net)	0	0	0	0
Adjusted profit	(2,328)	(2,146)	(2,005)	(1,654)
Diluted shares o/s	582	582	582	582
Adjusted diluted EPS	(4.0)	(3.7)	(3.4)	(2.8)
DPS (INR)	0	0	0	0
Tax rate (%)	0	0	0	0

Important Ratios (%)

Year to March	FY25A	FY26E	FY27E	FY28E
SSSG (% YoY)	1.1	3.5	5.0	7.0
Net store addition (#)	58.0	75.0	75.0	75.0
Gross Margin (%)	67.5	67.5	67.5	67.5
EBITDA margin (%)	10.5	10.9	12.8	14.2
Net profit margin (%)	(9.1)	(7.7)	(6.3)	(4.5)
Revenue growth (% YoY)	4.7	9.9	14.1	14.7
EBITDA growth (% YoY)	10.8	13.5	34.1	27.2
Adj. profit growth (%)	(1.7)	(7.8)	(6.6)	(17.5)

Assumptions (%)

Year to March	FY25A	FY26E	FY27E	FY28E
GDP (YoY %)	6.3	6.5	6.5	6.5
Repo rate (%)	5.3	5.3	5.3	5.3
USD/INR (average)	85.0	85.0	85.0	85.0
Royalty (%)	6.3	5.2	5.2	5.2
Capex (INR mn/Store)	30.1	31.0	32.0	32.9
Employee per store (#)	23.0	23.0	23.0	23.0
Inventory (% of RM)	4.9	4.9	4.9	4.9

Valuation Metrics

Year to March	FY25A	FY26E	FY27E	FY28E
Diluted P/E (x)	nm	nm	nm	nm
Price/BV (x)	4.3	5.7	8.0	12.0
EV/EBITDA (x)	11.6	11.7	8.8	6.8
Dividend yield (%)	0	0	0	0

Source: Company and Nuvama estimates

Balance Sheet (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Share capital	5,821	5,821	5,821	5,821
Reserves	3,265	1,119	(886)	(2,540)
Shareholders funds	9,086	6,939	4,935	3,280
Minority interest	(144)	(144)	(144)	(144)
Borrowings	2,956	6,415	7,315	7,315
Trade payables	3,792	4,072	4,484	5,110
Other liabs & prov	18,910	22,446	26,906	31,262
Total liabilities	34,599	39,728	43,496	46,824
Net block	10,781	10,632	10,756	10,717
Intangible assets	15,252	17,195	19,989	22,592
Capital WIP	339	339	339	339
Total fixed assets	26,373	28,166	31,084	33,648
Non current inv	1,333	1,333	1,333	1,333
Cash/cash equivalent	5,600	8,864	9,625	10,270
Sundry debtors	336	376	418	464
Loans & advances	90	90	90	90
Other assets	866	899	946	1,018
Total assets	34,599	39,728	43,496	46,824

Free Cash Flow (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Reported profit	(2,328)	(2,146)	(2,005)	(1,654)
Add: Depreciation	3,715	3,932	4,274	4,702
Interest (net of tax)	1,609	1,828	2,167	2,487
Others	84	(331)	57	104
Less: Changes in WC	596	209	322	508
Operating cash flow	3,780	3,491	4,816	6,147
Less: Capex	(2,656)	(2,102)	(2,594)	(2,669)
Free cash flow	1,124	1,389	2,222	3,478

Key Ratios

Year to March	FY25A	FY26E	FY27E	FY28E
RoE (%)	(30.6)	(27.3)	(34.6)	(41.7)
RoCE (%)	(2.8)	(1.0)	0.5	2.2
Inventory days	16	17	17	17
Receivable days	4	5	5	4
Payable days	136	150	148	146
Working cap (% sales)	(84.0)	(89.9)	(93.8)	(95.0)
Gross debt/equity (x)	0.3	0.9	1.5	2.3
Net debt/equity (x)	(0.3)	(0.4)	(0.5)	(0.9)
Interest coverage (x)	(0.6)	(0.5)	(0.1)	0.2

Valuation Drivers

Year to March	FY25A	FY26E	FY27E	FY28E
EPS growth (%)	(16.4)	(7.8)	(6.6)	(17.5)
RoE (%)	(30.6)	(27.3)	(34.6)	(41.7)
EBITDA growth (%)	10.8	13.5	34.1	27.2
Payout ratio (%)	nm	nm	nm	nm

Q2FY26 conference call: Key takeaways

India operations

Strategy & sales performance

- Management's strategic priorities, set two years ago, remain unchanged, with a continued focus on growing dine-in traffic.
- The company achieved its tenth consecutive quarter of positive Same-Store transaction Growth (SSSG).
- Average daily sales (ADS) are reported in the INR115k–120k range, supported by persistent traffic growth in the dine-in segment.
- The delivery channel also reported strong growth with an improvement in channel-specific profit margin of about 1% during the quarter.
- Management noted substantial benefits in October and anticipates a decent quarter (Q3FY26) on the back of government initiatives likely to revive consumption.

Product & marketing

- The Deluxe Whopper was launched as a core offering to cover the INR130–160 price point and extend the core Whopper brand. This is part of RBA's two-pronged growth plan. It drives traffic and caters to price-sensitive customers with its value end promotions, specifically the two for INR79 and two for INR99 deals. At the premium end, the company focuses on margin and quality with its specialised Korean and Kings Collection offerings.
- A four-week campaign was earlier executed for BK Cafe offerings at INR99 price point.
- The company is increasingly integrating regional festivals into its marketing to improve customer connection and traffic.
- Pricing corrections on the positive side were implemented in the delivery channel, which reportedly resulted in growth for both sales and margins.

Digital & Technology

- Digital sales now constitute 91% of total sales.
- All vendors and partners have been integrated into the company's CRM system.
- The mobile app is experiencing 70% growth in monthly activity (downloads) and currently processes 80–100 transactions per day, per restaurant.
- The app now accounts for ~35% of all dine-in traffic.

Margin & Cost Initiatives

- Management remains focused on profitability through several key programmes:
 - **Utility savings:** A new programme featuring new broilers (consuming 50% less energy) and "Ecoolers" (pre-cooling air for AC systems) is being implemented.

- This programme is expected to reduce costs by 1%, with the full financial impact anticipated in FY27 as the rollout completes by the end of the current fiscal year.
- **Gross margin (GM):** The company is on track to achieve its 70% GM target by FY29, driven by supply chain efficiencies and improved delivery channel margins.
- **Supply chain:** Two new distribution centres (DCs) have been opened to optimise the distribution system and reduce costs. Local sourcing benefits are also expected as store density increases.
- **Staffing:** The company consciously increased staffing levels, investing an additional 0.9% in employees (including interns) to introduce table service and for guiding the customers on SOKs. Management expects this cost to normalise next quarter through volume leverage and is planning a phased, calculated reduction while maintaining service levels.
- **GST benefits:** Benefits received toward the end of the year are not yet visible in results. Management has decided to pass on these benefits to consumers where applicable.

Store network

- Management expects to end the fiscal year (FY26) with 580 stores.

Indonesia operations

Business Performance

- **Burger King (BK):** The BK business is moving steadily but remains below expectations. September was hurt by geopolitical activity, though October has improved. ADS has been higher than the prior year for 12 of the last 13 months.
- **Popeyes:** This business was noted as a significant challenge. A new team has been assembled to implement a turnaround, and management expects to see progress soon. The focus is on increasing sales and evaluating different service models.

Profitability & strategic focus

- The primary operational focus is on i) driving traffic and SSSG for BK; ii) reducing losses at Popeyes; and iii) continued G&A reduction.
- Store EBITDA for Indonesia was negative, which management attributed entirely to incremental marketing spends (above the mandated 5%). Excluding this spend, margins would have been positive.
- An incremental IDR6bn was invested in BK marketing leading to BK reporting restaurant loss of IDR3bn; the balance of the loss is attributed to Popeyes.
- The company stated it remains to improve the business but is also continuing to explore the next best available options.

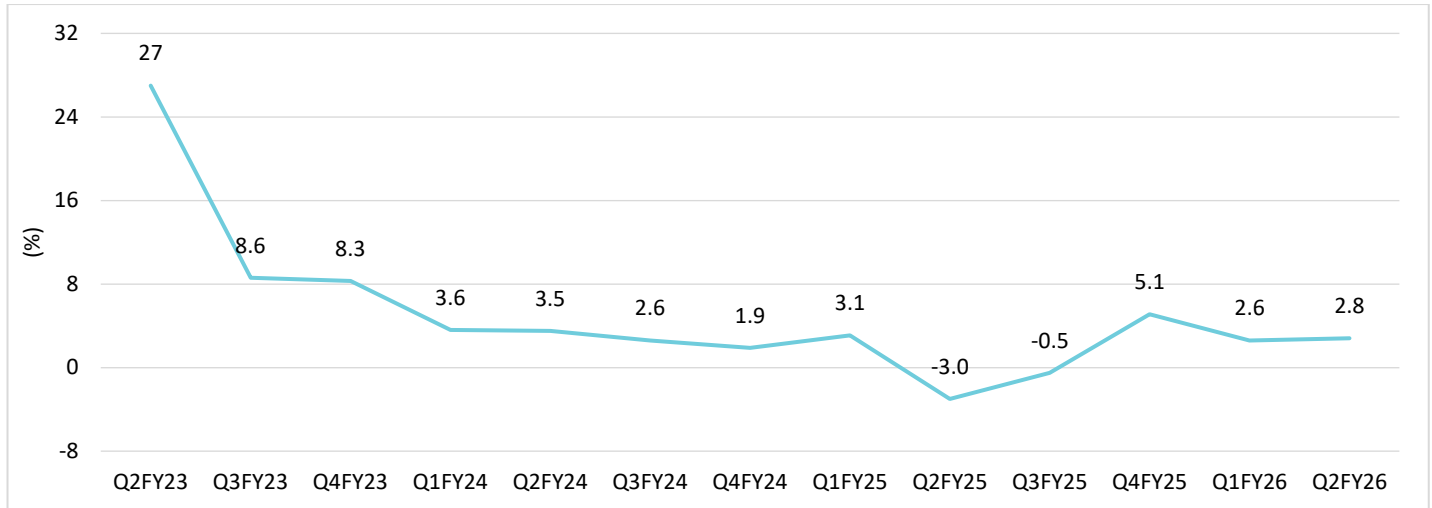
Cost and optimisation

- **Corporate overheads:** A cost-reduction exercise is almost at the end point, having saved INR150mn earlier plus additional INR450mn in the current quarter.

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- **Store optimisation:** The major restaurant optimisation (closure) programme is largely complete, and no further major closures are likely.
- **Rent reduction:** This remains an ongoing exercise.
- Various product-side initiatives are underway to improve gross margins.

Exhibit 1: India SSSG trends



Source: Company, Nuvama Research

Exhibit 2: Operational KPIs

	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
India													
Revenue INR Mn	3,680	3,698	3,649	4,221	4,535	4,454	4,391	4,905	4,921	4,954	4,898	5,523	5,687
Number of Stores	334	379	391	396	404	441	455	456	464	510	513	519	533
SSSG (%)	27.0	8.6	8.3	3.6	3.5	2.6	1.9	3.1	-3.0	-0.5	5.1	2.6	2.8
ADS INR	1,27,000	1,20,000	1,08,000	1,20,000	1,26,000	1,19,000	1,05,000	1,19,000	1,18,000	1,14,000	1,08,000	1,20,000	1,19,000
Restaurant EBITDA (%)	8.2	10.4	8.2	8.0	10.7	12.2	7.8	8.9	10.6	12.0	10.5	9.7	10.4
Pre Ind AS													
Indonesia													
Revenue INR Mn	1,567	1,566	1,490	1,887	1,714	1,588	1,581	1,562	1,403	1,437	1,428	1,454	1,348
Number of Stores-BK	179	179	176	169	162	162	150	149	149	147	143	139	136
Number of Stores-Popeyes	0	0	10	10	12	25	25	25	25	25	25	25	25
SSSG (%)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
ADS - BK (IDR mn)	NA	18.0	15.9	19.4	NA	17.8	17.7	19.4	16.9	17.6	18.5	19.7	18.1
ADS - Popeyes (IDR mn)	NA	NA	50.8	39.4	26.3	23.3	20.4	17.9	14.6	14.0	14.1	13.2	11.8
Restaurant EBITDA (%)	-6.5	-9.6	-4.6	0.2	-1.0	1.3	1.0	1.6	-4.8	-4.9	-1.9	0.1	-4.7
Pre Ind AS													

Source: Company, Nuvama Research

Management has reinvested the incremental gross margin of 80bp incrementally in employee cost and other store led overheads for improving the service levels for the customer. This has led to compression of restaurant level EBITDA margins by 20bp implying additional investment of about 1%. Operational leverage played out in corporate G&A in the current quarter to the tune of 1%, which helped stabilise the pre-Ind-AS EBITDA margins for the company. Management has indicated this shall cool off as the additional investment is to accommodate customers to get accustomed to the self-ordering kiosks, which management has implemented,

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across all its restaurants. This reduction along with management's ambition to improve gross margins to 70% from the current 68.3% implies total visible efficiency of 2.7% over the next two–three years that management will be implementing apart from the operational leverage.

Exhibit 3: Tracking profit KPIs

India Business	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Revenue	3,680	3,698	3,649	4,221	4,535	4,454	4,391	4,905	4,921	4,954	4,898	5,523	5,687
YoY Growth (%)	50%	32%	36%	25%	23%	20%	20%	16%	9%	11%	12%	13%	16%
Restaurant EBITDA Pre IND AS	303	385	298	338	485	543	342	437	522	594	514	536	591
as a % of revenue	8%	10%	8%	8%	11%	12%	8%	9%	11%	12%	11%	10%	10%
Corporate G&A	185	230	244	236	240	241	237	260	276	287	250	309	307
as a % of revenue	5%	6%	7%	6%	5%	5%	5%	5%	6%	6%	5%	6%	5%
Company EBITDA Pre IND AS	118	155	54	101	245	303	105	177	246	307	264	226	284
as a % of revenue	3%	4%	1%	2%	5%	7%	2%	4%	5%	6%	5%	4%	5%
IND AS adjustment	303	323	369	383	389	405	446	449	454	469	485	455	492
as a % of revenue	8%	9%	10%	9%	9%	9%	10%	9%	9%	9%	10%	8%	9%
Company EBITDA post IND AS	421	479	423	485	634	708	551	625	700	776	749	681	776
as a % of revenue	11%	13%	12%	11%	14%	16%	13%	13%	14%	16%	15%	12%	14%
Indonesia Business	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Revenue	1,567	1,566	1,490	1,887	1,714	1,588	1,581	1,562	1,403	1,437	1,428	1,454	1,348
YoY Growth (%)	40%	1%	14%	24%	9%	1%	6%	-17%	-18%	-10%	-10%	-7%	-4%
Restaurant EBITDA Pre IND AS	-102	-151	-68	4	-17	21	16	25	-67	-70	-27	2	-63
as a % of revenue	-7%	-10%	-5%	0%	-1%	1%	1%	2%	-5%	-5%	-2%	0%	-5%
Corporate G&A	170	131	170	129	132	151	154	114	139	105	93	108	107
as a % of revenue	11%	8%	11%	7%	8%	10%	10%	7%	10%	7%	7%	7%	8%
Company EBITDA Pre IND AS	-272	-282	-238	-125	-149	-130	-138	-89	-206	-175	-120	-106	-170
as a % of revenue	-17%	-18%	-16%	-7%	-9%	-8%	-9%	-6%	-15%	-12%	-8%	-7%	-13%
IND AS adjustment	103	101	89	123	126	130	455	122	119	113	115	116	119
as a % of revenue	7%	6%	6%	7%	7%	8%	29%	8%	8%	8%	8%	8%	9%
Indonesia EBITDA post IND AS	-169	-181	-149	-2	-23	0	317	33	-87	-62	-5	10	-51
as a % of revenue	-11%	-12%	-10%	0%	-1%	0%	20%	2%	-6%	-4%	0%	1%	-4%

Source: Company, Nuvama Research

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Exhibit 4: Tracking cost of retailing

	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
ADS	1,20,000	1,08,000	1,20,000	1,26,000	1,19,000	1,05,000	1,19,000	1,18,000	1,14,000	1,08,000	1,20,000	1,19,000
YoY growth (%)	5%	3%	0%	-1%	-1%	-3%	-1%	-6%	-4%	3%	1%	1%
Gross Profit per day per store	79,650	71,677	79,775	84,207	79,886	71,062	80,492	79,652	77,345	73,252	81,237	81,280
Gross Margin (%)	66%	66%	66%	67%	67%	68%	68%	68%	68%	68%	68%	68%
Cost of retailing per day per store	67,170	62,821	70,175	70,725	65,368	62,872	69,901	67,144	63,665	61,912	69,597	68,904
Cost of retailing (%)	56%	58%	58%	56%	55%	60%	59%	57%	56%	57%	58%	58%
YoY growth in cost of retailing (%)	1.3%	2.0%	-3.0%	-4.3%	-2.7%	0.1%	-0.4%	-5.1%	-2.6%	-1.5%	-0.4%	2.6%
Restaurant level Pre IND AS profit per day per store	12,480	8,856	9,600	13,482	14,518	8,190	10,591	12,508	13,680	11,340	11,640	12,376
Restaurant level Pre IND AS Margin (%)	10%	8%	8%	11%	12%	8%	9%	11%	12%	11%	10%	10%

Source: Company, Nuvama Research

Exhibit 5: Valuation summary

H1FY28 EBITDA - India	4,479
Target EV/EBITDA	18
India Business EV (INR mn)	80,626
H1FY28 EBITDA - Indonesia	162
Target EV/EBITDA	8
Indonesia Business EV (INR mn)	1,295
Less: Debt H1FY28E	7,315
Less: Lease Liabilities	25,538
Add: Cash H1FY28E	9,947
Core business market cap (INR mn)	59,015
NOSH	582
Value (INR/Share) - Sep'26	101.4
CMP (INR)	68
Upside (%)	49.8

Source: Company, Nuvama Research

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Exhibit 6: Quarterly summary - Standalone

Year to March	Q2FY26	Q2FY25	% change	Q1FY26	% change	H1FY26	H1FY25	% change
Revenue	5,687	4,921	15.6	5,523	3.0	11,209	9,826	14
Raw material costs	1,802	1,599	12.7	1,784	1.0	3,587	3,187	13
Gross profit	3,884	3,322	16.9	3,739	3.9	7,623	6,640	15
Employee costs	892	755	18.2	850	5.0	1,742	1,493	17
Other expenses	2,216	1,867	18.7	2,208	0.4	4,423	3,822	16
Total operating expenses	3,108	2,622	18.5	3,058	1.6	6,166	5,315	16
EBITDA	776	700	10.9	681	13.9	1,457	1,325	10
Depreciation	690	611	12.9	663	4.1	1,352	1,244	9
EBIT	86	89	(3.0)	18	367.2	105	81	30
Less: Interest Expense	404	326	23.9	410	(1.5)	813	644	26
Add: Other income	115	71	62.3	276	(58.2)	391	128	205
Profit Before Tax	-202	-166	21.9	-116	74.7	-318	-435	NM
Less: Provision for Tax	0	0		0		0	0	NM
Reported Profit	-202	-166	21.9	-116	74.7	-318	-435	NM
Adjusted Profit	-202	-166	21.9	-116	74.7	-318	-435	NM
NOSH	582	498		582		582	498	17
Adjusted EPS	-0.3	-0.3	NM	-0.2	NM	-0.5	-0.9	NM
As % of revenues			Change bp			Change bp	Change bp	
COGS	31.7	32.5	(80.1)	32.3	(60.5)	32.0	32.4	(0.4)
Gross profit	68.3	67.5	80.1	67.7	60.5	68.0	67.6	0.4
Employee costs	15.7	15.3	34.8	15.4	30.5	15.5	15.2	0.4
Other expenses	39.0	37.9	102.4	40.0	(101.3)	39.5	38.9	0.6
Total operating expenses	54.7	53.3	137.1	55.4	(70.8)	55.0	54.1	0.9
EBITDA	13.6	14.2	(57.1)	12.3	131.4	13.0	13.5	(0.5)
Net profit	(3.6)	(3.4)	(18.5)	(2.1)	(146.0)	(2.8)	(4.4)	1.6

Source: Company, Nuvama Research

Company Description

Restaurant Brands Asia (RBA; earlier Burger King India Ltd) is among the fastest growing QSR chains in India and holds the exclusive national master franchise rights to develop, establish, operate and franchise the BURGER KING® branded restaurants in India. The master franchisee arrangement provides RBA with the ability to use Burger King's globally recognised brand name to grow their business in India, while leveraging the technical, marketing and operational expertise associated with the global Burger King brand.

The master franchisee arrangement provides RBA with flexibility to tailor their menu to Indian tastes and preferences, control their promotions and pricing, and choose their suppliers in agreement with the standards of the Burger King parent company.

Investment Theme

Base in place: strong brand, MFA and reasonable store economics

RBA has put the building blocks in place: i) a strong brand – second-biggest burger brand globally; ii) a favourable master franchise agreement (MFA) – stable royalty rate, pan-India franchise opportunity and flexibility in vendor selection, which has driven margin improvement; and iii) stable store economics – stores break even in year one, with mature stores clocking an RoCE in excess of 20%.

Customer proposition driven by value and wide offerings

RBA's customer proposition is a blend of value offerings, variety, strong vegetarian menu and flame grilling expertise. RBA has been able to carve a niche for its value-driven strategy; on individual SKUs, RBA has the cheapest offerings among major burger QSRs. All this reflects in RBA store productivity too, comparable to WDL, despite its 'late' entry. Overall RBA's established product innovation process, focus on value offerings, and younger store profile should drive strong SSSG.

Key Risks

- Selection of sub-par real estate could dampen profitability
- Master Franchise and Development Agreement termination risks
- Competition from other QSRs/CDRs

Additional Data

Management

CEO	Rajeev Varman
Other	
Other 1	
CFO	Sumit P. Zaveri

Holdings – Top 10*

	% Holding		% Holding
HDFC AMC	9.58	JM Financial AM	3.15
ICICI Pru Life	7.24	Vanguard group	2.93
Nippon Life AMC	5.98	Bajaj Allianz L	2.06
SBI Funds	3.52	Mirae Asset	1.85
TATA AMC	3.44	Franklin resour	1.23

*Latest public data

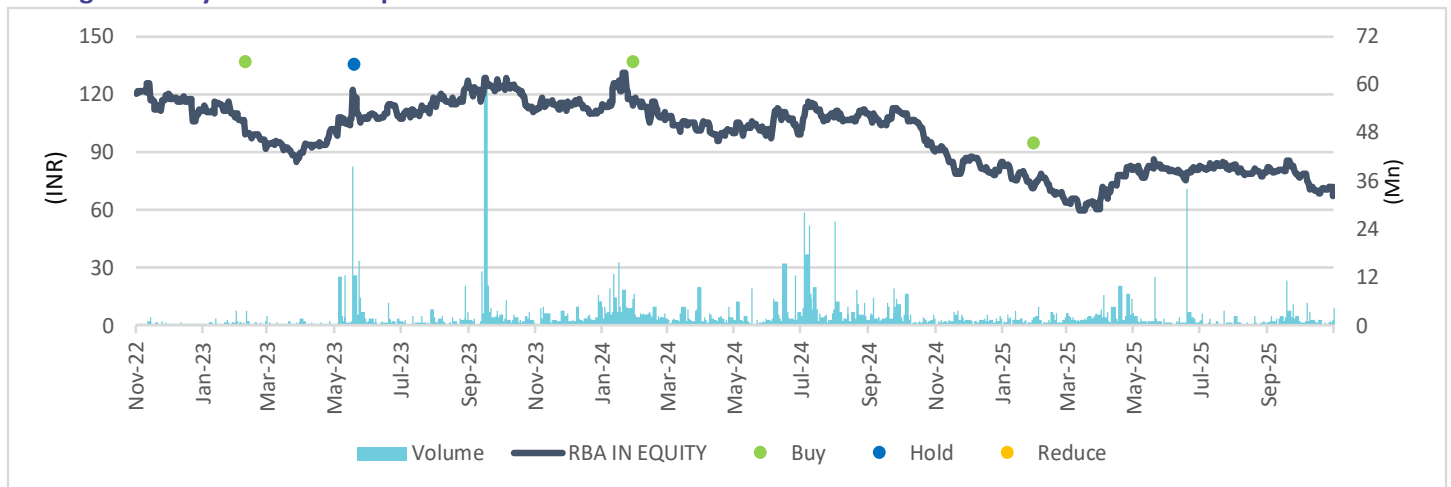
Recent Company Research

Date	Title	Price	Reco
31-Jul-25	In-line performance; <i>Result Update</i>	81.4	Buy
19-May-25	SSSG pickup, opex cuts lift performance; <i>Result Update</i>	81.7	Buy
29-Jan-25	Delivers sequential improvement; <i>Result Update</i>	77.2	Buy

Recent Sector Research

Date	Name of Co./Sector	Title
30-Oct-25	Bata	Slow showing persists; <i>Result Update</i>
18-Oct-25	Sapphire	Awaiting growth revival; <i>Result Update</i>
17-Oct-25	Shoppers Stop	Improvement in core business; <i>Result Update</i>

Rating and Daily Volume Interpretation



Source: Bloomberg, Nuvama research

Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	205
Hold	<15% and >-5%	68
Reduce	<-5%	37

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