31 October 2025

2QFY26 Results Update | Sector: Retail

Restaurant Brands Asia

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	RBA IN
Equity Shares (m)	582
M.Cap.(INRb)/(USDb)	39.1 / 0.4
52-Week Range (INR)	94 / 59
1, 6, 12 Rel. Per (%)	-17/-23/-32
12M Avg Val (INR M)	138

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	28.8	33.7	38.8
Sales growth (%)	12.9	17.1	15.0
EBITDA	3.3	5.0	6.6
Margins (%)	11.4	14.8	16.9
Adj. PAT	-1.9	-0.8	-0.1
Adj. EPS (INR)	-3.2	-1.4	-0.2
EPS Growth (%)	N/M	N/M	N/M
BV/Sh.(INR)	12.1	10.7	10.5
Ratios			
RoE (%)	-23.4	-12.4	-2.0
RoCE (%)	-1.0	3.4	6.7
Valuations			
P/E (x)	N/M	N/M	N/M
P/BV (x)	5.5	6.2	6.4
EV/EBITDA (x)	11.7	7.7	5.7
EV/EBITDA (x) *	63.7	19.5	12.2
EV/Sales (x)	1.3	1.1	1.0

* pre Ind-AS

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	11.3	11.3	13.2
DII	40.1	40.0	37.8
FII	20.7	20.5	17.5
Others	28.0	28.2	31.6

FII Includes depository receipts

CMP: INR67 | **TP: INR120 (+78%)** | **Buy**

India sees steady performance; Indonesia remains gloomy

- Restaurant Brands Asia (RBA) posted revenue growth of 16% YoY for its Indian business (in line), led by a 15% YoY rise in store additions. Same-store sales rose 2.8%, led by healthy traction across both the channels and value offerings. RBA witnessed a strong performance in October following the GST rate reduction and a healthy festive season. Management remains confident of a robust 3QFY26 performance.
- In 2QFY26, its Indian business GM expanded 80bp YoY and 60bp QoQ to 68.3%, backed by changes in the menu mix and supply chain efficiencies. We model ~68-68.5% GM for FY26 and FY27. RBA aspires to achieve 70% GM by FY29. India ROM (pre-Ind AS) expanded 14% YoY to INR592m, while margins contracted 20bp YoY to 10.4% (est. 10.2%). EBITDA (Pre-Ind AS) rose 16% YoY to INR284m, while margins remained flat YoY to 5%. RBA remains focused on enhancing delivery profitability by optimizing pricing, improvising its menu, and cutting fixed costs such as utilities.
- Indonesia's revenue dipped 4% YoY, hit by geopolitical crises and store closures (3 BK store closures in 2QFY26). Indonesia BK ADS grew 7% YoY. Indonesia ROM (pre-IND AS) witnessed a loss of INR63mn in 2QFY26 vs. a loss of INR67m in 2QFY25 and a profit of INR2m in 1QFY26. The loss was mainly due to higher promotional spends. Adjusted for this, margins were slightly positive. In Indonesia, RBA has largely concluded the rationalization of BK stores but does not plan to pursue expansion plans for Popeyes at this stage.
- Consolidated revenue rose 11% YoY to INR7b, led by a healthy performance in the Indian business, while the Indonesian business continued to be a laggard. Consolidated reported EBITDA (post IND AS) rose 24% YoY to INR762m, and margins expanded 110bp YoY to 10.8%. High operating costs and interest costs led to a consolidated loss of INR633m.
- RBA's continued emphasis on improving store unit economics in India and sustaining store rollouts positions its Indian business for strong growth. The company has outperformed other dine-in peers on all fronts in FY25, and we expect the company to continue delivering a strong performance in FY26. RBA opened 20 stores in 1HFY26 and plans to reach 580 stores by the end of FY26 and 800 stores by FY29. Indonesia experienced some geopolitical turbulence towards the end of 2Q, but conditions have since normalized. The trend will need to be monitored in the near term to assess the recovery. The company is taking several initiatives to control costs in Indonesia and cut down on losses. **We reiterate BUY with a TP of INR120. We value India at 25x Sep'27E EV/EBITDA (pre-IND AS) and Indonesia EV at INR5b (~0.7x EV/sales Sep'27E).**

India delivers ~3% SSSG; Indonesia performance remains subdued

India business

- **India SSSG rose 2.8%:** The Indian business revenue rose 16% YoY to INR5.7b (est. INR5.6b), led by 15% YoY store additions. Same-store sales growth was 2.8% (est. 2.5%), led by consistent growth across the dine-in and delivery channels. The Indian business ADS rose 1% YoY to INR119k. The company added 14 stores in 2QFY26 in India, bringing the total store count to 533 stores. BK Café's store count reached 507 stores (95% of total BK stores).

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- **Margin expansion continues**: India's GP rose 17% YoY to INR3.9b (est. INR3.8), while margins expanded 80bp YoY and 60bp QoQ to 68.3%, backed by changes in the menu mix and supply chain efficiencies. India's ROM (pre-Ind AS) increased 14% YoY to INR592m, while margins contracted 20bp YoY to 10.4% (est. 10.2%). EBITDA (Pre-Ind AS) rose 16% YoY to INR284m, and margins remained flat YoY to 5%. EBITDA (Post-Ind AS) rose 16% YoY to INR813m (est. INR794m). Margins expanded 10bp YoY to 14.3% (est. 14.1%). Higher operating and interest costs led to a loss of INR202m in the Indian business in 2QFY26 (est. loss of INR146m).

Indonesian business continues to witness store rationalization
- The Indonesian business revenue declined 4% YoY to INR1,348m due to store rationalization (7% YoY dip in the BK store count) and geopolitical headwinds. BK's ADS rose 7% YoY to IDR18.1m. The company closed three BK stores during the quarter (136 BK stores/25 Indonesia Popeyes stores).
- Indonesia GP declined 2% YoY to INR767m, with gross margin expansion of 110bp YoY to 56.9% (56.7% in 1QFY26).
- **EBITDA (post-IND AS) witnessed a loss of INR51m in 2QFY26 vs. a loss of INR87m in 2QFY25 and a profit of INR10m in 1QFY26.**
- **Indonesia ROM (pre-IND AS) faced a loss of INR63m in 2QFY26 vs. a loss of INR67m in 2QFY25 and a profit of INR2m in 1QFY26.**
- **EBITDA (Pre-Ind As) witnessed a loss of INR170m vs a loss of INR206m in 2QFY25.**

Consolidated business
- Consol revenue rose 11% YoY to INR7b, led by healthy Indian business performance, while the Indonesian business continued to be a laggard.
- Consolidated GP rose 13% YoY to INR4.65b, and margins expanded 120bp YoY and 70bp QoQ to 66.1%.
- Consolidated reported EBITDA (post IND AS) rose 24% YoY to INR762m, and margins expanded 110bp YoY to 10.8%.
- High operating and interest costs led to a consolidated loss of INR633m.

Key takeaways from the management commentary
- RBA witnessed a strong performance in October following the GST rate reduction and a healthy festive season. Management remains confident of a strong 3QFY26 performance.
- Delivery channel revenue grew 15.6%, while profits rose 1%, as the company continues to drive restaurant traffic and focus on delivery and restaurant-level profitability.
- BK plans to open 60-80 new restaurants each year, targeting 800 restaurants by FY29 from its current count of 533 (20 stores opened in 1HFY26). RBA aims to reach 580 stores by FY26 end.
- BK continues to deliver steady performance. The 2Q performance was impacted for about a week and a half in September by geopolitical headwind, but management indicated that conditions have stabilized from October onwards.
- RBA has largely completed BK store optimization in Indonesia.

Valuation and view
- RBA added 20 restaurants in 1HFY26 and plans to expand to 580 restaurants by the end of FY26, up from the current 533. Further, it plans to open 60-80 new restaurants each year in India, targeting 800 restaurants by FY29, leading to

strong store-led growth. BK Café and ongoing cost-efficiency measures are likely to be key drivers of growth and margins over the medium term. EBITDA margin is also expected to expand with higher dine-in traffic, improved traction/penetration of BK Café, and other cost-saving initiatives.

- As more stores mature, improving the contribution of new outlets across the network is expected to support margin recovery. The Indonesian business should witness a gradual recovery as the company has rationalized its portfolio by closing non-performing stores. That said, we expect near-term challenges in Indonesia to sustain.
- **We reiterate BUY with a TP of INR120. We value India at 25x Sep'27E EV/EBITDA (pre-IND AS) and Indonesia EV at INR5b (~0.7x EV/sales Sep'27E).**

Quarterly Standalone Performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			2QE	(%)
SSSG (%)	**3.1%**	**-3.0%**	**-0.5%**	**5.1%**	**2.6%**	**2.8%**	**4.5%**	**4.1%**	**1.1%**	**3.5%**	**2.5%**	
No. of stores	**456**	**464**	**510**	**513**	**519**	**533**	**563**	**578**	**513**	**578**	**531**	
Net Sales	**4,905**	**4,921**	**4,954**	**4,898**	**5,523**	**5,687**	**5,846**	**5,857**	**19,678**	**22,912**	**5,613**	**1.3**
YoY change (%)	16.2	8.5	11.2	11.6	12.6	15.6	18.0	19.6	11.8	16.4	14.1	
Gross Profit	**3,318**	**3,322**	**3,361**	**3,322**	**3,739**	**3,884**	**3,981**	**3,976**	**13,322**	**15,580**	**3,817**	**1.8**
Margin (%)	67.6	67.5	67.8	67.8	67.7	68.3	68.1	67.9	67.7	68.0	68.0	
EBITDA	**618**	**700**	**789**	**777**	**745**	**813**	**911**	**878**	**2,890**	**3,347**	**794**	**2.5**
EBITDA growth %	27.5	10.3	11.5	41.1	20.6	16.2	15.4	13.0	21.6	15.8	13.4	
Margin (%)	12.6	14.2	15.9	15.9	13.5	14.3	15.6	15.0	14.7	14.6	14.1	
EBITDA (Pre - Ind As)	**175**	**244**	**309**	**266**	**225**	**284**	**373**	**312**	**994**	**1,194**	**260**	**9.2**
EBITDA growth %	72.7	0.4	2.3	150.9	28.6	16.4	20.7	17.2	32.0	20.1	7.0	
Margin (%)	3.6	5.0	6.2	5.4	4.1	5.0	6.4	5.3	5.1	5.2	4.6	
Depreciation	633	611	632	670	663	690	710	749	2,546	2,811	689	
Interest	319	326	364	403	410	404	400	427	1,411	1,640	400	
Other Income	64	71	21	42	212	78	100	102	192	492	150	
PBT	**-269**	**-166**	**-186**	**-254**	**-116**	**-202**	**-99**	**-195**	**-876**	**-612**	**-146**	
Tax	0	0	0	0	0	0	0	0	0	0	0	
Rate (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Adjusted PAT	**-269**	**-166**	**-186**	**-254**	**-116**	**-202**	**-99**	**-195**	**-876**	**-612**	**-146**	
YoY change (%)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	

E: MOFSL Estimates

Quarterly Consolidated Performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			2QE	(%)
No. of stores	**630**	**638**	**682**	**681**	**683**	**694**	**725**	**751**	**681**	**751**	**696**	
Net Sales	**6,467**	**6,324**	**6,391**	**6,325**	**6,977**	**7,034**	**7,383**	**7,398**	**25,508**	**28,793**	**7,058**	**-0.3**
YoY change (%)	5.9	1.2	5.8	5.9	7.9	11.2	15.5	17.0	4.7	12.9	11.6	
Gross Profit	**4,171**	**4,104**	**4,191**	**4,129**	**4,564**	**4,651**	**4,857**	**4,860**	**16,595**	**18,932**	**4,638**	**0.3**
Margin (%)	64.5	64.9	65.6	65.3	65.4	66.1	65.8	65.7	65.1	65.8	65.7	
Other expenses	3,513	3,492	3,465	3,357	3,809	3,889	3,985	3,960	13,858	15,644	3,832	
EBITDA	**658**	**612**	**727**	**772**	**755**	**762**	**872**	**900**	**2,737**	**3,289**	**806**	**-5.5**
EBITDA growth %	36.3	0.0	2.8	-11.4	14.7	24.4	20.0	16.6	2.9	20.1	31.5	
Margin (%)	10.2	9.7	11.4	12.2	10.8	10.8	11.8	12.2	10.7	11.4	11.4	
EBITDA (Pre - Ind As)	**87**	**38**	**133**	**146**	**119**	**113**	**216**	**215**	**370**	**606**	**154**	**-26.8**
EBITDA growth %	-557.9	-59.6	-22.7	-586.7	36.8	197.4	62.7	47.4	81.4	63.7	306.0	
Margin (%)	1.3	0.6	2.1	2.3	1.7	1.6	2.9	2.9	1.5	2.1	2.2	
Depreciation	916	907	934	958	934	969	1,035	1,102	3,715	4,040	1,009	
Interest	374	380	397	457	468	456	420	267	1,609	1,611	420	
Other Income	145	21	57	38	193	30	100	102	259	492	150	
PBT	**-488**	**-655**	**-547**	**-604**	**-454**	**-633**	**-483**	**-366**	**-2,328**	**-1,871**	**-474**	
Tax	0	0	0	0	0	0	0	0	0	0	0	
Rate (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Adjusted PAT	**-488**	**-655**	**-547**	**-604**	**-454**	**-633**	**-483**	**-366**	**-2,328**	**-1,871**	**-474**	
YoY change (%)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	

E: MOFSL Estimates

Key Performance Indicators

Particulars (INR mn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
India Business						
No. of stores	456	464	510	513	519	533
Net store addition	1	8	46	3	6	14
SSSG (%)	3.1%	-3.0%	-0.5%	5.1%	2.6%	2.8%
Net sales (INR m)	4,905	4,921	4,954	4,898	5,523	5,687
YoY growth (%)	16%	9%	11%	12%	13%	16%
ADS (INR '000)	119.0	118.0	114.0	108.0	120.0	119.0
Gross Profits (INRm)	3,318	3,322	3,361	3,322	3,739	3,884
Gross Margins (%)	67.6%	67.5%	67.8%	67.8%	67.7%	68.3%
Restaurant EBITDA (Pre -Ind AS)	435	521	596	516	536	592
Restaurant EBITDA Margin (%)	8.9%	10.6%	12.0%	10.5%	9.7%	10.4%
EBITDA (Pre -Ind AS)	175	244	309	266	225	284
EBITDA Margin (%)	3.6%	5.0%	6.2%	5.4%	4.1%	5.0%
EBITDA (Post -Ind AS)	618	700	789	777	745	813
EBITDA Margin (%)	12.6%	14.2%	15.9%	15.9%	13.5%	14.3%
PBT (INR m)	-269.5	-165.8	-186.3	-254.2	-115.7	-202.1
PBT margin (%)	-5.5%	-3.4%	-3.8%	-5.2%	-2.1%	-3.6%
PAT (INR m)	-269.5	-165.8	-186.3	-254.2	-115.7	-202.1
PAT margin (%)	-5.5%	-3.4%	-3.8%	-5.2%	-2.1%	-3.6%
Indonesia						
Stores	174	174	172	168	164	161
Net store addition	-1	0	-2	-4	-4	-3
Net sales (INR m)	1,562	1,403	1,437	1,428	1,454	1,348
YoY growth (%)	-17%	-18%	-10%	-10%	-7%	-4%
Gross Profits (INR m)	853	783	830	807	825	767
Gross Margins (%)	54.6%	55.8%	57.8%	56.5%	56.7%	56.9%
Restaurant EBITDA (Pre -Ind AS)	25	-67	-70	-27	2	-63
Restaurant EBITDA Margin (%)	1.6%	-4.8%	-4.9%	-1.9%	0.1%	-4.7%
Company EBITDA (Pre -Ind AS)	-89	-206	-175	-120	-106	-170
Company EBITDA Margin (%)	-5.7%	-14.7%	-12.2%	-8.4%	-7.3%	-12.6%
PBT (INR m)	-218	-489	-361	-350	-339	-431
PBT margin (%)	-14.0%	-34.8%	-25.1%	-24.5%	-23.3%	-32.0%
PAT (INR m)	-218	-489	-361	-350	-339	-431
PAT margin (%)	-14.0%	-34.8%	-25.1%	-24.5%	-23.3%	-32.0%
Consolidated Business						
No. of stores	630	638	682	681	683	694
Net store addition	-	8	44	(1)	2	11
Net sales (INR m)	6,467	6,324	6,391	6,325	6,977	7,034
YoY growth (%)	6%	1%	6%	6%	8%	11%
Gross Profits (INRm)	4,171	4,104	4,191	4,129	4,564	4,651
Gross Margins (%)	64.5%	64.9%	65.6%	65.3%	65.4%	66.1%
Restaurant EBITDA (Pre -Ind AS)	460	454	526	489	538	530
Restaurant EBITDA Margin (%)	7.1%	7.2%	8.2%	7.7%	7.7%	7.5%
EBITDA (Pre -Ind AS)	87	38	133	146	119	113
EBITDA Margin (%)	1.3%	0.6%	2.1%	2.3%	1.7%	1.6%
EBITDA (Post -Ind AS)	658	612	727	772	755	762
EBITDA Margin (%)	10.2%	9.7%	11.4%	12.2%	10.8%	10.8%
PBT (INR m)	-488	-655	-547	-604	-454	-633
PBT margin (%)	-7.5%	-10.3%	-8.6%	-9.6%	-6.5%	-9.0%
PAT (INR m)	-488	-655	-547	-604	-454	-633
PAT margin (%)	-7.5%	-10.3%	-8.6%	-9.6%	-6.5%	-9.0%

CONFERENCE CALL

Key takeaways from the management commentary

Business environment

- RBA has seen a strong performance for October post the GST rate reduction and a healthy festive season. Management remains confident of a strong 3QFY26 performance.
- In 2QFY26, the India business achieved ADS of INR119,000, backed by 2.8% SSSG, which was led by both dine-in traffic growth and delivery channel.
- Delivery channel revenue grew 15.6%, while profits increased 1%, as the company continues to drive traffic into its restaurants and remains focused on both delivery and restaurant-level profitability.
- RBA continues to drive dine-in traffic with focused value offers to attract more customers.
- On the delivery front, RBA has been working with food aggregators to improve efficiency.
- RBA has seen consumers shifting from premium to value offering products over the last several quarters. That said, markets for core and premium ranges are still present. Despite being more value focused, RBA's premium range is also performing well.
- BK App saw ~70% growth in its monthly active users in the previous year.
- The company is scaling up its new initiative called King's Journey. Significant investments in digital sales channels have resulted in 91% of dine-in orders at certain locations being placed through digital platforms, including Self-Ordering Kiosks (SOKs) and the BK App.
- Consumers see great value for money in Whopper as it offers several layers of taste vs peers.
- It has extended the range of proteins by offering fried chicken, paneer, and cheese patty options for its Whopper Deluxe burgers.
- RBA has setup a CRM team that will commence operations over the next few quarters. This will help the company to increase the frequency of existing customer base.
- It has recently launched a new broiler that will be available in all restaurants by the end of FY26. This new broiler will consume half the energy vs the current one.
- BK plans to open 60-80 new restaurants each year and targets for 800 restaurants by FY29 from the current 533 restaurants (20 stores opened in 1HFY26). RBA plans to open 580 stores by FY26 end.
- It aspires to achieve 70% gross margin by FY29; current GM stands at 68.3%
- With 509 Café restaurants in India, BK Café is now present in 95% of restaurants, up from 365 stores in 2QFY25.
- BK Café is gaining traction through menu expansion, product trials, and social media engagement.
- Crazy App Deals are exclusive dining deals available only on the Burger King app, aimed at driving loyalty and frequency.

Indonesia business

- Indonesia revenue declined by 4% YoY due to store rationalization and geopolitical headwinds.
- The company closed 3 BK store during the quarter, while Popeyes stores remain unchanged at 25 stores.
- The company has largely concluded BK store optimization in Indonesia.
- It is also investing in marketing campaigns to enhance brand awareness and drive customer engagement.
- BK is delivering steady performance. 2Q performance was impacted for one and a half weeks because of geopolitical headwinds in September. Management has indicated that conditions have stabilized from October onwards.
- Popeyes business has been a challenge for the company, and it is working on addressing this.
- RBA is rationalizing G&A and will save INR200m in FY26.
- The focus remains on increasing revenue through SSSG by bringing in more traffic into dine-in, similar to the India business.
- Indonesia ROM was negative because of higher ad spends; adjusted for that, the margin will be slightly positive.
- In Indonesia, the company has no plans for store expansion for both Burger King and Popeyes. Instead, it is prioritizing profitability by strengthening its dine-in business and optimizing the store portfolio.

Cost and margins

- GM expanded ~60bp QoQ and 80bp YoY on the back of supply chain efficiencies and changes in the menu mix.
- The company has recently opened two more distribution centers in India; this will help reduce distribution costs.
- RBA remains focused on driving efficiencies across its P&L through initiatives aimed at reducing utilities, rentals, and other fixed costs.
- New rent deals are way below what was signed six to eight years ago, and this will continue to lower the overall rent ratio as more such properties come online.
- Many IT contracts have been renegotiated and technology consumption has been rearranged, contributing to profitability.
- To strengthen profitability, the company plans to enhance delivery margins by optimizing pricing, refining the menu mix, and streamlining operational expenses.
- RBA continues to maintain profitability through disciplined cost management and operational efficiencies, ensuring sustainable financial performance.
- Management expects gross margins to reach ~70% by FY29.

Product innovation & promotion

- Continue 2 for INR79 (veg) and 2 for INR99 (non-veg) to drive incremental traffic.

Valuation and view

- RBA added 20 restaurants in 1HFY26 and plans to reach 580 restaurants by the end of FY26 from the current count of 533. Further, it plans to open 60-80 new restaurants each year in India, targeting to reach 800 restaurants by FY29, leading to strong store-led growth. BK Café and cost-efficiency initiatives are likely to be key drivers for growth and margins over the medium term. EBITDA margins are expected to expand with higher dine-in traffic, improved traction/penetration of BK Café, and other cost-saving initiatives.
- As more stores mature, improving the contribution of new stores across the network will support the margin recovery. The Indonesian business is expected to witness a gradual recovery as the company has rationalized its portfolio by closing non-performing stores. That said, we expect near-term challenges in Indonesia to sustain.
- **We reiterate BUY with a TP of INR120. We value India at 25x Sep'27E EV/EBITDA (pre-IND AS) and Indonesia EV at INR5b (~0.7x EV/sales Sep'27E).**

Exhibit 1: We cut our EBITDA estimates for FY26-28 by 5%-7%

(INR b)	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Sales	28,793	33,727	38,801	28,854	33,736	38,799	-0.2%	0.0%	0.0%
EBITDA	3,289	4,995	6,552	3,550	5,350	6,859	-7.4%	-6.6%	-4.5%
Adjusted PAT	-1,871	-826	-122	-1,385	-374	223	NA	NA	NA

Financials and valuations

Income Statement - Consolidated									(INR m)
Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Net Sales	**8,412**	**10,040**	**14,903**	**20,543**	**24,371**	**25,508**	**28,793**	**33,727**	**38,801**
Change (%)	33.0	19.3	48.4	37.8	18.6	4.7	12.9	17.1	15.0
Material Consumed	3,015	3,968	5,497	7,357	8,720	8,912	9,861	11,336	12,774
Gross Profit	**5,397**	**6,072**	**9,406**	**13,186**	**15,651**	**16,595**	**18,932**	**22,390**	**26,027**
Gross Margin %	64.2	60.5	63.1	64.2	64.2	65.1	65.8	66.4	67.1
Operating expenses	4,357	5,822	8,439	12,071	12,990	13,858	15,644	17,395	19,475
EBITDA	**1,040**	**250**	**967**	**1,114**	**2,661**	**2,737**	**3,289**	**4,995**	**6,552**
Change (%)	31.7	-76.0	287.5	15.3	138.8	2.9	20.1	51.9	31.2
Margin (%)	12.4	2.5	6.5	5.4	10.9	10.7	11.4	14.8	16.9
Depreciation	1,164	2,289	2,336	2,840	3,561	3,715	4,040	4,538	5,049
Int. and Fin. Ch.	655	1,044	954	1,052	1,412	1,609	1,611	1,683	1,875
Other Non-recurring Inc.	56	341	224	360	185	259	492	400	250
PBT	**-722**	**-2,744**	**-2,098**	**-2,418**	**-2,128**	**-2,328**	**-1,871**	**-826**	**-122**
Change (%)	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M
Margin (%)	-8.6	-27.3	-14.1	-11.8	-8.7	-9.1	-6.5	-2.4	-0.3
Tax	0	0	0	0	0	0	0	0	0
Tax Rate (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted PAT	**-722**	**-2,744**	**-2,098**	**-2,418**	**-2,128**	**-2,328**	**-1,871**	**-826**	**-122**
Change (%)	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M
Margin (%)	-8.6	-27.3	-14.1	-11.8	-8.7	-9.1	-6.5	-2.4	-0.3
Non-rec. (Exp)/Inc.	0	-77	-252	0	0	0	0	0	0
Reported PAT	**-722**	**-2,821**	**-2,350**	**-2,418**	**-2,128**	**-2,328**	**-1,871**	**-826**	**-122**

Balance Sheet - Consolidated									(INR m)
Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Share Capital	2,777	3,830	4,927	4,946	4,964	5,821	5,821	5,821	5,821
Reserves	-23	-2,981	5,478	3,309	1,302	3,265	1,394	568	447
Minority Interest		252	277	207	22	-144	-144	-144	-144
Net Worth	**2,754**	**1,101**	**10,682**	**8,462**	**6,288**	**8,942**	**7,071**	**6,245**	**6,124**
Loans	1,985	2,444	1,419	1,648	1,702	2,956	1,206	1,006	806
Lease Liabilities	5,977	6,569	7,449	10,027	12,596	15,363	16,372	17,963	19,991
Capital Employed	**10,717**	**10,114**	**19,551**	**20,137**	**20,586**	**27,260**	**24,648**	**25,214**	**26,920**
Gross Block	6,521	12,232	13,947	17,189	20,204	22,374	24,664	27,135	30,251
Less: Accum. Depn.	1,533	4,383	5,563	7,024	8,418	10,345	12,348	14,655	17,229
Net Fixed Assets	**4,987**	**7,849**	**8,384**	**10,165**	**11,786**	**12,029**	**12,316**	**12,480**	**13,022**
ROU Asset	5,380	6,057	6,751	9,397	11,598	14,004	14,125	14,085	14,399
Capital WIP	476	475	181	322	308	339	339	339	339
Investments	186	1,243	4,023	1,469	830	235	135	235	335
Deferred tax assets	10	0	0	0	0	0	0	0	0
Curr. Assets, L&A	**938**	**4,010**	**4,483**	**3,580**	**2,565**	**8,019**	**4,273**	**5,097**	**6,769**
Inventory	94	196	228	315	347	436	473	739	957
Account Receivables	32	86	134	169	254	336	316	462	638
Cash and Bank Balance	280	2,777	2,772	1,552	335	5,365	1,469	1,535	2,264
Others	531	951	1,349	1,544	1,629	1,882	2,016	2,361	2,910
Curr. Liab. and Prov.	**1,260**	**9,520**	**4,271**	**4,795**	**6,501**	**7,366**	**6,540**	**7,022**	**7,945**
Other Current Liabilities	224	6,538	1,187	1,508	2,880	2,866	2,591	2,530	2,910
Creditors	816	2,456	2,587	2,675	2,850	3,792	3,155	3,604	4,040
Provisions	220	527	497	612	771	708	793	889	995
Net Curr. Assets	**-322**	**-5,510**	**213**	**-1,215**	**-3,936**	**652**	**-2,267**	**-1,925**	**-1,176**
Misc. Expenses									
Appl. of Funds	**10,717**	**10,114**	**19,551**	**20,137**	**20,586**	**27,260**	**24,648**	**25,214**	**26,920**

E: MOFSL Estimates

Financials and valuations

Ratios - Consolidated

Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Basic (INR)									
EPS	**-2.6**	**-7.2**	**-4.3**	**-4.9**	**-4.3**	**-4.0**	**-3.2**	**-1.4**	**-0.2**
BV/Share	9.9	2.9	21.7	17.1	12.7	15.4	12.1	10.7	10.5
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout %	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)									
P/E	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M
EV/Sales	3.1	2.4	1.9	1.5	1.4	1.4	1.3	1.1	1.0
EV/EBITDA	25.1	96.5	28.6	28.5	12.7	13.3	11.7	7.7	5.7
EV/EBITDA (Pre-Ind As)		-38.9	-66.4	-53.4	165.7	98.3	63.7	19.5	12.2
P/BV	6.8	23.3	3.1	3.9	5.3	4.4	5.5	6.2	6.4
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EV		24,084	27,639	31,763	33,794	36,354	38,600	38,234	37,205
Return Ratios (%)									
RoE	-27.5	-142.3	-35.6	-25.3	-28.9	-30.6	-23.4	-12.4	-2.0
RoCE	-0.7	-16.3	-7.7	-6.9	-3.5	-3.0	-1.0	3.4	6.7
RoIC	-1.4	-26.5	-15.0	-11.8	-5.0	-4.8	-3.4	2.0	6.4
Working Capital Ratios									
Debtor (Days)	1	3	3	3	4	5	4	5	6
Inventory (Days)	4	7	6	6	5	6	6	8	9
Creditor (Days)	35	89	63	48	43	54	40	39	38
Asset Turnover (x)	0.8	1.0	0.8	1.0	1.2	0.9	1.2	1.3	1.4
Leverage Ratio									
Debt/Equity (x)	2.9	8.2	0.8	1.4	2.3	2.0	2.5	3.0	3.4

Cash Flow Statement - Consolidated **(INR m)**

Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
OP/(loss) before Tax	-776	-2,821	-2,352	-2,418	-2,367	-2,328	-1,871	-826	-122
Int./Div. Received	-1	-530	32	-212	233	-191	-492	-400	-250
Depreciation & Amort.	1,164	2,367	2,364	2,867	3,495	3,715	4,040	4,538	5,049
Interest Paid	-635	-1,003	-864	-983	-1,398	-1,609	-1,611	-1,683	-1,875
Direct Taxes Paid	2	22	54	36	6	-104	0	0	0
Inc/(Dec) in WC	-108	-484	162	-59	-708	-596	977	276	19
CF from Operations	**1,127**	**480**	**692**	**1,243**	**3,461**	**3,504**	**2,312**	**4,719**	**6,533**
Extraordinary Items	0	0	0	0	0	0	0	0	0
Inc/(Dec) in FA	-2,275	-678	-1,379	-3,313	-2,743	-2,656	-2,290	-2,471	-3,116
Free Cash Flow	**-1,148**	**-198**	**-687**	**-2,070**	**718**	**848**	**22**	**2,248**	**3,416**
Others	0	169	-5,805	831	-194	-291	492	400	250
Pur of Investments	209	-1,042	-2,723	2,665	711	623	100	-100	-100
CF from Invest.	**-2,066**	**-1,551**	**-9,907**	**183**	**-2,226**	**-2,324**	**-1,698**	**-2,171**	**-2,966**
Issue of Shares	0	5,622	13,585	0	0	5,000	0	0	0
Incr in Debt	2,007	-985	-1,116	169	-1,506	1,254	-1,750	-200	-200
Dividend Paid	0	0	0	0	0	0	0	0	0
Others	-53	-284	-168	-34	-1,005	-2,405	-2,760	-2,282	-2,637
CF from Fin. Activity	**1,954**	**4,353**	**12,301**	**135**	**-2,511**	**3,849**	**-4,510**	**-2,482**	**-2,837**
Incr/Decr of Cash	**1,016**	**3,283**	**3,086**	**1,561**	**-1,275**	**5,030**	**-3,896**	**66**	**729**
Add: Opening Balance	160	280	865	1,828	1,610	335	5,365	1,469	1,534
Closing Balance	**1,176**	**3,563**	**3,950**	**3,389**	**335**	**5,365**	**1,469**	**1,534**	**2,264**

E: MOFSL Estimates

NOTES

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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