

Anindita Chaudhury
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Issue Details

Issue Details	
Issue Size (Value in ` crore, Upper Band)	810.00
Fresh Issue (No. of Shares in Lakhs)	750.00
Offer for Sale (No. of Shares in Lakhs)	600.00
Bid/Issue opens on	2-Dec-20
Bid/Issue closes on	4-Dec-20
Face Value	Rs. 10
Price Band	59-60
Minimum Lot	250

Objects of the Issue

The Fresh Issue: ₹450 Cr

The company proposes to utilize the Net Proceeds towards funding the following:

- Repayment or prepayment of outstanding borrowings of the company obtained for setting up of new company-owned Burger King Restaurants.
- Capital expenditure incurred for setting up of new company-owned Burger King Restaurants.
- General corporate purposes.

Offer for Sale: ₹360 Cr

The company will not receive any proceeds from the Offer for Sale.

Book Running Lead Managers
Kotak Mahindra Capital Company Limited
CLSA India Private Limited
Edelweiss Financial Services Limited
JM Financial Limited
Registrar to the Offer
Link Intime India Private Limited

Capital Structure (₹ Crore)	Aggregate Value
Authorized share Capital	505.00
Subscribed paid up Capital (Pre-Offer)	306.65
Paid up capital (Post - Offer)	381.65

Share Holding Pattern %	Pre Issue	Post Issue
Promoters & Promoter group	94.3%	60.1%
Public	5.7%	39.9%
Total	100%	100%

Financials

Particulars (₹ Crore)	6M-FY21	6M-FY20	FY20	FY19	FY18
Revenue from operations	135.2	422.3	841.2	632.7	378.1
Operating expenses	163.9	365.3	737.2	553.7	370.0
EBITDA	-28.7	57.0	104.0	79.0	8.1
Other Income	16.4	3.0	5.6	11.4	10.6
EBIDT	-12.3	60.1	109.6	90.4	18.7
Interest	42.4	27.8	65.5	46.5	36.9
Depreciation	62.1	49.7	116.4	82.2	64.0
PBT	-116.8	-17.4	-72.2	-38.3	-82.2
Tax	2.1	0.0	4.3	0.0	0.0
PAT	-118.9	-17.4	-76.6	-38.3	-82.2
EBITDA Margin	-21.2%	13.5%	12.4%	12.5%	2.1%
PAT Margin	-88.0%	-4.1%	-9.1%	-6.0%	-21.7%
Sales Growth	-68.0%		33.0%	67.3%	

Company Description

Burger King India Limited, (formerly known as Burger King India Private Limited) was incorporated on November 11, 2013 and is engaged in the business of Quick Service Restaurants (QSR) under the brand name of "Burger King". The company is a subsidiary of QSR Asia Pte. Ltd.

As the national master franchisee of the BURGER KING® brand in India, the company has exclusive pan-India rights to develop, establish, operate and franchise Burger King branded restaurants in India. The master franchisee arrangement (with long term rights till Dec 31, 2039) allows the company to use Burger King's globally recognized brand name to expand business in India, while leveraging the technical, marketing and operational expertise associated with the global Burger King brand. Focusing on convenience and accessibility, the company's restaurants primarily operate in four different formats - high street locations, shopping malls and food courts, drive thrus and transit locations.

The company is one of the fastest growing international QSR chains in India during the first five years of its operations based on number of restaurants. Since opening its first restaurant in November 2014, the company has expanded meaningfully over the years on the back its well-defined restaurant roll out and development process. As of Nov 25, 2020, the company had 259 company-owned Burger King restaurants and 9 sub-franchised Burger King restaurants, of which 249 were operational. As part of the franchisee agreement, the company is obligated to develop and open at least 700 restaurants by Dec 2026, signaling further growth prospects.

Notably, the world renowned Burger King brand is the second largest fast food burger brand globally as measured by the total number of restaurants, with a global network of 18,675 restaurants in over 100 countries and U.S. territories as at Sep 30, 2020. Founded in 1954 in the United States, the Burger King brand also known as the "HOME OF THE WHOPPER", is owned by Burger King Corporation, a subsidiary of Restaurant Brands International Inc., that houses well known fast food brands including BURGER KING, POPEYES and TIM HORTONS.

The COVID-19 pandemic has taken a toll on the growth and expansion moves of Burger King India. However, management believes that as the COVID-19 crisis abates it would be able to increase the pace of growth of restaurant network which in turn should help the company in achieving further economies of scale. Also, the company aims to capitalize opportunity on the growing online delivery market, including through engagement with delivery aggregators.

Among other strategic growth initiatives, the company remains focused on managing costs with spreading corporate-level fixed costs, across a larger restaurant network to drive margins. Also, it looks to lower transportation costs, optimize spending on ingredients and reduce exposure to price fluctuations. Additionally, the company remains committed to continue with technology investments and enhance brand awareness and loyalty, targeting the large and growing millennial population in India.

Revenues from operations of the company have increased from ₹378.1 crores in FY18 to ₹841.2 crores in FY20. While the company is yet to report profit, it had been able to register decent gross margins, EBITDA and a positive operating cash flow in pre-COVID times.

Valuation

At upper price band of ₹60, the IPO is valued at Price to Sales (P/S) ratio of 2.7x based on FY20 sales, compared to peers like Jubilant FoodWorks Ltd. (8.4x) and West Life Development Ltd. (4.4x). Also, on per store basis, the company's valuation (Market Cap/total stores) stands at ₹8.8 crores, compared to Jubilant FoodWorks (₹26.2 crores) and Westlife (₹23.8 crores). The valuation seems reasonable when compared to peers. While the COVID-19 crisis have impacted short term growth, we believe the company remains well placed for long term growth, given its strong brand position, diverse food offerings, well established supply chain, aggressive expansion plans, cost management efforts and benefit from the gradual recovery in the QSR industry post COVID. As such, we recommend **Subscribe** to this IPO.

Business Highlights

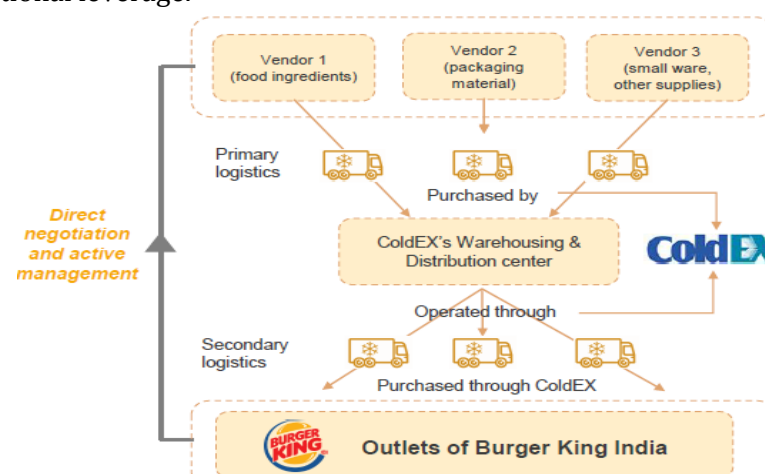
- **Benefits from exclusive national master franchise rights in India with long term franchisee rights till Dec 31, 2039:** Burger King India is the national master franchisee of the Burger King brand in India, with exclusive rights to develop, establish, operate and franchise Burger King branded restaurants in India. The globally recognized BURGER KING® brand, also known as the “HOME OF THE WHOPPER®”, is the second largest fast food burger brand globally as measured by the total number of restaurants. The master franchisee arrangement, which expires on Dec 31, 2039, allows the company to use Burger King’s brand name to expand business in India, while leveraging the technical, marketing and operational expertise associated with the global Burger King. Also, the agreement provides flexibility to the company in terms of tailoring the menu, promotions and pricing to the Indian tastes and preferences while complying with Burger King global quality assurance standards. Further, the company benefits from Burger King’s extensive global marketing and advertising concepts, product development capabilities and cooking techniques to drive sales and generate increased restaurant footfalls. Additionally, the company enjoys favorable royalty rates that are capped at 5%. Notably, as per the agreement, the company is obligated to develop and open at least 700 restaurants by Dec 31, 2026. In case of termination due to development default, the company has right to operate existing stores for their life and open 35 new stores per calendar year through Dec 31, 2039 with radius protection.
- **Diverse product offerings focused on value and variety for the Indian tastes and preferences:** The company not only looks to offer quality products that are tailored to Indian taste and preferences, but also to provide substantial value at attractive price points. In this regard, one of the key strategies has been its “two good menu with variety”, “2 for” promotions, such as 2 Crispy Veg burgers for just ₹69 and 2 Crispy Chicken burgers for just ₹89, as well as launch of King Deals which include “3 for ₹99” and 3 for ₹129” with mixed option promotion combining the burgers/wraps with fries and Pepsi. Also, the company has created a wide entry level menu across burgers, wraps, rice, sides and drinks that is available for under ₹100. In terms of variety, the company offers 18 different vegetarian and non-vegetarian burgers covering both value and premium offerings. Also, apart from burgers, the company offers variety in offerings including wraps, rice, beverages, sides, snacks, shakes and desserts across different day parts, including breakfast, lunch and dinner, and snack times and late night. Additionally, the company has launched specific regional product innovations, such as BK® Fried Chicken in the East and South regions of India, as well as in Punjab in January 2020.
- **Expansion through well-defined restaurant development process:** The company has a well-defined new-restaurant roll out process that helps to identify locations and build out restaurants quickly, consistently and efficiently. The company builds its restaurant network using a cluster approach and penetration strategy in an effort to provide greater convenience and accessibility for customers across relevant geographies. The company launches its brand from flagship locations in high traffic and high visibility locations in key metropolitan areas and cities across India and then develops new restaurants within that cluster. Overall, the company aims to achieve an optimal mix across its different types of restaurant formats – high street locations, shopping malls and food courts, drive thrus and transit locations, and look at factors that would drive footfalls. Notably, the well-defined restaurant development process helped the company in becoming one of the fastest growing QSR brands to reach 200 restaurants among international QSR brands in India during the first five years of its operations.

Growth in Restaurants since Mar 31, 2016:

	Mar-16	Mar-17	Mar-18	Mar-19	Dec-19	Mar-20	Jun-20	Sep-20	As of Nov 25, 2020
By Region									
North	21	37	55	86	124	129	129	131	137
West	14	29	40	55	69	68	66	66	66
South	14	22	34	43	53	54	55	55	56
East	0	0	0	3	9	9	9	9	9
Total	49	88	129	187	255	260	259	261	268
By operating structure									
Company-owned*	48	85	123	181	247	252	253	253	259
Sub-franchised	1	3	6	6	8	8	8	8	9
Total	49	88	129	187	255	260	259	261	268
Net additions	37	39	41	58	53	6	-1	2	7
Total number of operational restaurants	49	88	129	187	255	59	189	226	249

* As at Mar 31, 2020, Jun 30, 2020 and Sep 30, 2020, all sub-franchised restaurants were temporarily closed. As of Nov 25, 2020, one of the sub-franchised restaurants had reopened and one new sub-franchised restaurant was opened.

- **Established vertically managed and scalable supply chain model with reach across India:** Under its established supply chain model, the company individually negotiate with and actively manage its suppliers of ingredients and packaging materials. Most of the ingredients are purchased locally from known suppliers that comply with Burger King food quality standards. Notably, Burger King India has an extensive service level agreement in place with third-party distributor – ColdEX to procure ingredients and packaging materials from the company approved suppliers. This arrangement gives the company access to ColdEX’s multiple warehousing space and extensive logistics network across the country, thereby supporting the company’s cluster approach and penetration strategy in a cost effective manner and helps in lowering costs and achieve further economies of scale through operational leverage.



- **Experienced management team:** The management team of Burger King India includes former senior employees who have significant work experience in the food and beverage (F&B) industry, retail and major fast moving consumer goods brands. Shivakumar Pullaya Dega, Chairman and Independent Director of the company, has significant experience in food and beverage industry and mobile industry. Also, Rajeev Varman, the Chief Executive Officer and Whole Time Director of the company, has over 20 years of work experience in F&B industry. Prior to joining the company, he has worked with Tricon/Taco Bell brand, Lal Enterprises Inc., and Burger King Corporation where he held the positions including franchisee business manager, national manager–franchise operations, vice president and general manager, Canada and vice president & general manager, Northwest Europe. Further, a large number of the senior management personnel of the company have considerable experience, resulting in effective operational coordination and continuity of business strategies.

Key Strategies:

- **Accelerate the pace of expansion of restaurant network:** Prior to the COVID-19 crisis, Burger King India expanded its number of restaurants from 12 restaurants as at Mar 31, 2015 to 260 restaurants as at Mar 31, 2020. The pandemic has taken a toll on the company's expansion moves. However, management believes that as the COVID-19 crisis abates it would be able to increase the pace of growth of restaurant network which in turn should help the company in achieving further economies of scale. Also, the company aims to capitalize opportunity on the growing online delivery market, including through engagement with delivery aggregators. Overall, the company plans to expand by setting-up new company-owned Burger King Restaurants in various cities across India with the focus to meet the increasing demand of western QSR culture amongst the consumers within these markets. Further, under the Master Franchise and Development Agreement, the company is required to develop and open at least 700 restaurants by December 31, 2026, which includes the following cumulative opening requirements:

Period	Cumulative Opening Targets (No. of Restaurants)
Calendar Year 2019	250
Calendar Year 2020	250
Calendar Year 2021	300
Calendar Year 2022	370
Calendar Year 2023	450

- **Focus on managing unit economics and achieve economies of scale through operational leverage:** With gradual increase in restaurants, the company intends to continue spreading corporate-level fixed costs, particularly, brand building and launch expenses and corporate-level administrative expenses, across a larger restaurant network. Also, the company aims to realize further cost efficiencies and benefit economies of scale by leveraging its vertically managed and scalable shared supply chain infrastructure with its third-party distributor, which should drive gross margins. Among others, the company looks to lower transportation costs, optimize spending on ingredients, reduce exposure to price fluctuations and target best procurement prices.
- **Thrust on technology to maintain quality operations and enhance customer experience:** Burger King India has made significant investments to maintain system-wide operating procedures in line with Burger King's global standards with respect to product quality, taste parameters, food preparation methods, food safety and cleanliness and customer service standards. The company utilizes "360° technology" in its customer interactions, across operations, supply chain and in the management of the business. As part of this strategy, the company would continue with technology investments and leverage its investments in the "360° technology" in areas including controlled digital menu board, self-ordering kiosks, the new version of BK mobile app, handheld POS systems, the integration of customer platforms with delivery aggregators and the integration of the company's systems with its third-party distributor.
- **Enhance brand awareness and loyalty, targeting the large and growing millennial population in India:** The company's vision is to make the Burger King brand the most loved QSR brand in India. Management intends to continue to leverage Burger King's globally recognized brand name and marketing initiatives, which are targeted at driving footfalls and supporting same-store sales. In particular, the company looks to continue targeting the large and growing millennial population in India through advertising and marketing campaigns, both on television and social media, in-restaurant design and messaging and packaging of products. Among others, the company would continue to promote BK Crown loyalty program drive customer loyalty and offer strong entry menu at attractive price points to millennials, many of whom are just entering the workforce and seek everyday value.

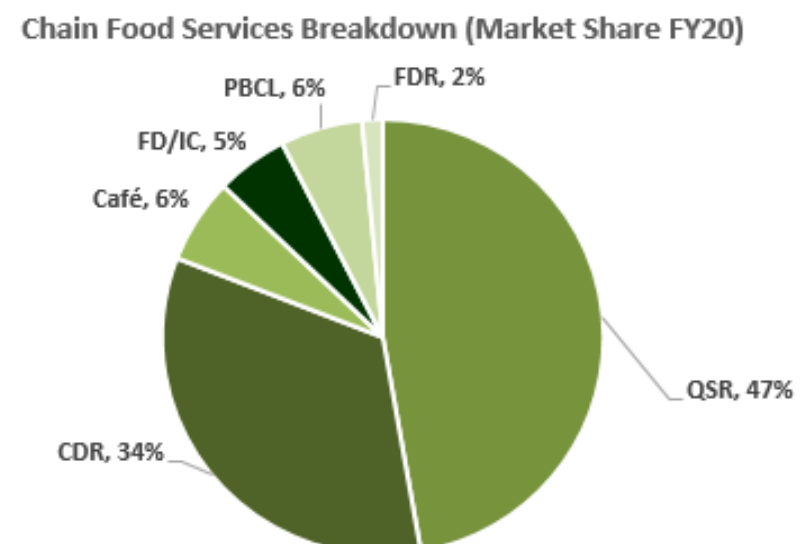
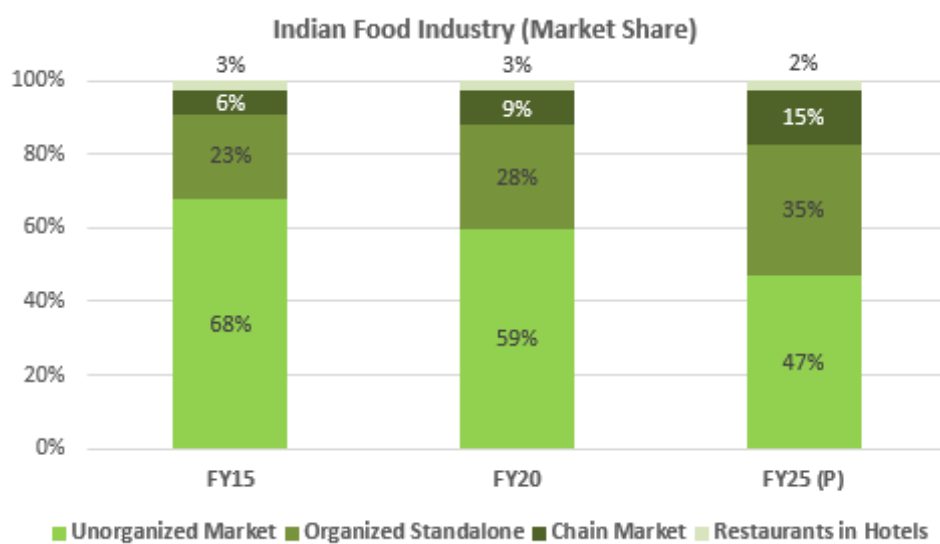
Key Risks:

- The COVID-19 pandemic along with government's measures to contain the spread of COVID-19, have had a substantial impact on the company's restaurant operations. Any further deterioration in the business environment may impact the company's growth and result in delay in achieving its expansion goals.
- The company has reported restated loss in FY18, FY19, FY20 and 6M-FY21. The company's failure to generate profits may adversely affect the market price of equity shares and impact ability to raise capital and expand business.
- Burger King India's business depends in part on the continued international success and reputation of the Burger King brand globally, and any negative impact on the Burger King brand may adversely affect India business, results of operations and financial condition.
- Increased competition in the QSR industry in India may affect profitability.

Source: RHP, Anand Rathi Research

Industry Snapshot:

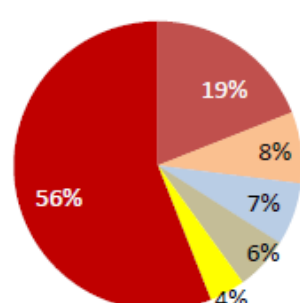
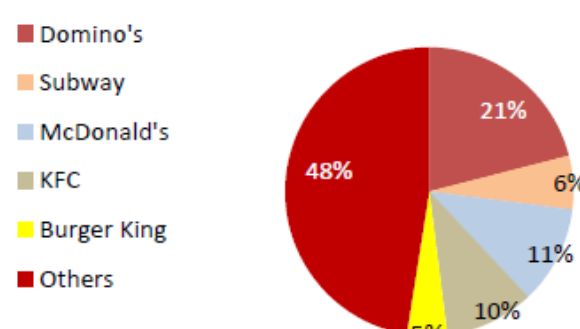
The Indian food services market has gained strong momentum in the last decade due to changing consumer consumption patterns. A noticeable shift began in 1996 with the opening up of QSR such as McDonald's, Pizza Hut and Domino's Pizza, followed by Subway, KFC, Burger King, Haldiram's, Moti Mahal and Taco Bell, among others. The Indian food services market is classified into two segments – organized and unorganized, based on three key characteristics: accounting transparency, organized operations with quality control and sourcing norms. Any food services outlet that does not conform to these parameters is considered to fall within the unorganized segment, which primarily includes dhabas, roadside small eateries, hawkers and street stalls. By contrast, food services outlets that conform to these parameters fall within the organized segment and can be subcategorized as **Chains** (domestic or international outlets that have more than three restaurant outlets across the country) or standalone outlets. Chains are further subdivided into six sub-segments based on average price charged per person, service quality and speed, and product offering- fine dining restaurant (FDR), casual dining (CDR), pub, bar, club and lounge (PBCL), quick service restaurants (QSR), cafes and frozen desserts (FD/IC).



- The food services market in India has shown consistent growth since Fiscal 2015 and was estimated at ₹4,236 billion in FY 2020. The food services market in India is projected to grow at a CAGR of 9% over the next five years and is expected to reach ₹6,505 billion by Fiscal 2025.
- Within the food services market, the chain market in India has evolved and witnessed a majority of changeover during the last three decades. The chain market in India was estimated at ₹398 billion in Fiscal 2020 and is projected to grow at a CAGR of 19% to ₹965 billion by Fiscal 2025. Growth in the chain market is expected to be driven in the next five years by an increase in presence of international brands, strengthening of back end infrastructure, acceptance of new cuisines, changing lifestyles and aspirations and the emergence of entrepreneurial ventures in these segments.
- Due to COVID-19, consumers have become more cautious towards hygiene and safety issues, and the chain QSRs or CDRs positioned themselves to meet all the heightened requirements in relation to food quality, service standards, processes and delivery capabilities to capture the opportunities that arise due to the consumers more cautious dining habits, particularly as in the post-COVID-19 world, while some consumers are expected to go back to the unorganized sector, there will be others who permanently shift from the unorganized sector to the organized sector. This gap created by unorganized sector can be easily serviced by the chain QSR and CDRs.
- The QSR and CDR sub-segments had a combined market share of the total chain market of 76% and 81% in Fiscal 2015 and Fiscal 2020, respectively, and are expected to have a combined market share of 86% by Fiscal 2025. The QSR sub-segment is expected to grow driven by economic growth, demographic, cultural and lifestyle changes and increased penetration in Tier II and Tier III cities, which is expected to be facilitated by improved supply chains, innovation and customisation in operating models and store sizes.

Chain Type	CAGR FY 2015-20	CAGR FY 2020-25	Market Share FY15	Market Share FY25 (P)
QSR	19%	23%	45%	54%
CDR	19%	18%	32%	31%
Café	8%	8%	10%	4%
FD/IC	16%	15%	5%	4%
PBCL	22%	17%	5%	6%
FDR	3%	1%	3%	1%

- The Indian chain QSR sub-segment is dominated by burgers and sandwiches, with a market share of 31% in Fiscal 2020, followed by pizza, with a market share of 26% in Fiscal 2020 and chicken, with a market share of 15% in Fiscal 2020.

Market Players:**Market Share by Outlet Count****Market Share by Revenue**

Source: RHP, Anand Rathi Research

Competition Scenario:

Key QSR brands outlet presence as of September 30, 2020:

Brands	Total Outlet Count	Mega Metros(%)	Mini Metros (%)	Tier I (%)	Tier II & Others (%)
Domino’s	1264	25%	32%	20%	23%
Subway	541	37%	43%	12%	8%
McDonald’s	481	36%	35%	17%	12%
KFC	454	19%	37%	21%	23%
Wow! Momo	317	29%	59%	6%	6%
Burger King	261	41%	26%	11%	23%
Jumbo King	131	83%	11%	6%	
La Pino’z	134	27%	21%	33%	19%
Haldiram	80	79%	9%	7%	5%
Bikanervala	82	61%	9%	14%	16%
Smokin Joe’s	50	58%	20%	4%	18%
Taco Bell	57	32%	54%	12%	2%
Street Food by Punjab Grill	41	47%	34%	12%	7%

Key international brands by outlet count in India as of September 30, 2020:

Brands	Year of Market Entry (FY)	Total Outlets	No.of Cities	**CAGR (FY15-FY20) (Outlet)	Geographical Penetration			
					North%	South%	East%	West%
Domino’s	1996	1264	282	9.10%	33%	28%	12%	27%
Subway	2001	541	97	2.60%	38%	27%	7%	28%
McDonald’s*	1996	490	90	5.40%	32%	28%	2%	38%
KFC#	2004	454	70	5.20%	29%	40%	17%	14%
Burger King	2015	261	57	85.10%	50%	21%	3%	26%

* Indicates consolidated outlet count of both McDonald’s operators in India
** CAGR from Fiscal 2015 to September 30, 2020
KFC re-entered in India in the year 2004 post its initial entry in 1996

Key Metrics:

Heads	Domino’s	McDonald’s*	KFC	Subway	Burger King	Pizza Hut	Chilli’s	BBQ Nation	The Great Kebab Factory
Format	QSR	QSR	QSR	QSR	QSR	CDR	CDR	CDR	FDR
Business Model	Master Franchisee	Master Franchisee	Multiple Franchisee	Micro Franchisee	Joint Venture	Multiple Franchisee	Regional Franchisee	Own+ Franchisee	Own+ Franchisee
Outlet Count	1,264	311	454	541	261	431	21	147	23
APC*** (INR)	200-225	225-250	200-225	175-200	200-225	400-450	600-700	775-800	1,250-1500
Average Ticket Value (INR)	500-550	550-600	500-550	250-300	500-550	1,450-1,550	2,750-3,000	3,500-3,750	6,000-6,500
COGS	22-23%	34-36%	34-36%	32-34%	35-36%	25-26%	29-30%	34-35%	31-32%
Gross Margins	77-78%	64-66%	64-66%	66-68%	64-65%	74-75%	70-71%	65-66%	68-69%
Advertisement	4-5%	5-6%	6-7%	4-5%	~5%	4-5%	3-4%	NA	5-6%
Royalty	3-4%	4-5%**	7-8%	7-8%	4-5%	7-8%	5-6%	NA	6-7%
Store EBITDA	21-23%	13-15%	14-16%	20-22%	12-14%	17-19%	20-21%	20-21%	16-18%
Capex for Initial Build and Opening	150-200 L	350-400 L	300-350 L	40-50 L	200-250 L	200-250 L	300-350 L	250-300 L	400-500 L
Avg. Store Size (in sq.ft.)	1400-1600	2600-3200	2500-3000	750-1000	1300-1400	2600-3200	3700-4300	4800-5400	4500-5000
Average sales /Day***	0.75-0.80 L	1.2-1.3 L	1.2-1.3 L	0.30-0.35 L	1.1-1.2 L	0.7-0.8 L	1.4-1.5 L	1.5-1.6 L	1.9-2.1 L

Same Store Sales Growth of key brands:

Year	Domino’s	Westlife	Yum*	Burger King
FY20	3.20%	4.00%	NA	-0.30%
FY19	16.40%	17.40%	NA	29.20%
FY18	13.90%	15.70%	19.50%	12.20%
FY17	-2.40%	4%	9.50%	NA
FY16	3.20%	1.80%	-13%	NA
FY15	0.05%	-5.90%	-5%	NA

*Indicates system sales growth during calendar year.

Key Growth Drivers in the Indian Food Industry:

- **Improving Demographics:** India has one of the youngest populations in comparison to other leading economies. Further, along with substantial rise in the working age population, increasing urbanization, growth in nuclearization and changing lifestyles and food habits are likely to support the overall domestic consumption story.
- **Increasing availability of retail space leading to food services market expansion:** Before the COVID-19 pandemic, it was estimated that by the end of FY21 there will be an increase in available space of about 2 million square feet for expansion of the food services market in malls in the top seven largest cities in India. However, as a result of the COVID-19 crisis, future supply of available spaces has been disrupted due to the shortage of the required labor force and financial means, and the estimated about 2 million square feet of available space are now expected to come through by the end of Fiscal 2023. Among others, there is a growing trend to increase the presence of food services market outlets in highways, railway stations, metro rail stations and airports driven partly by an increase in the trend of the mini-vacation to nearby destinations within 200 to 300 kilometers for weekend getaways.
- **Increasing eating-out and ordering-in behavior:** There is an increasing trend in urban cities in India, across all economic classes, to eat out without the need for a special occasion but rather as part of a shopping experience or a leisure outing. This trend is particularly strong with population in the millennial age group of 15 to 34 years of age, which during Fiscal 2020 ate out approximately twice per month and ordered in approximately once per month.
- **Growth of online food delivery and food tech:** The Restaurant-to-Consumer Delivery segment includes the delivery of meals carried out directly by the restaurants. The order may be made via platforms or directly through a restaurant website or app (e.g., Burger King). The Platform-to-Consumer Delivery segment focuses on online delivery services that provide customers with meals from partner restaurants that do not necessarily have to offer food delivery themselves. In this case, the platforms (e.g., Zomato, Swiggy, etc.) handle the delivery process. The overall delivery market in India is expected to grow at a CAGR of 12.2% to reach US\$18.1 billion by FY2025 from US\$10.2 billion in FY2020. Further, factors such as busy lifestyle and increase of disposable income, a rise in the use of smart phones and higher internet penetration in India are expected to continue to drive growth in the Indian food services market.

Source: RHP, Anand Rathi Research

Valuation:

At upper price band of ₹60, the IPO is valued at Price to Sales (P/S) ratio of 2.7x based on FY20 sales, compared to peers like Jubilant FoodWorks Ltd. (8.4x) and West Life Development Ltd. (4.4x). Also, on per store basis, the company's valuation (Market Cap/total stores) stands at ₹8.8 crores, compared to Jubilant FoodWorks (₹26.2 crores) and Westlife (₹23.8 crores). The valuation seems reasonable when compared to peers. While the COVID-19 crisis have impacted short term growth, we believe the company remains well placed for long term growth, given its strong brand position, diverse food offerings, well established supply chain, aggressive expansion plans, cost management efforts and benefit from the gradual recovery in the QSR industry post COVID. As such, we recommend **Subscribe** to this IPO.

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Ratings Methodology

- ❑ Analysts’ ratings and the corresponding expected returns take into account our definitions of Large Caps (>₹300 Billion) and Mid/Small Caps (<₹300 Billion) or SEBI definition vide its circular SEBI/HO/IMD/DF3/CIR/P/2017/114 dated 6th October 2017, whichever is higher and as described in the Ratings Table below:

Ratings Guide (12 months)	Buy	Hold	Sell
Large Caps (>₹300Bn.)	15%	5%-10%	Below 5%
Mid/Small Caps (<₹300 Bn.)	20%	10%-15%	Below 10%

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