RATING ACCUMULATE | CMP INR 71 | TP INR 93

PL Capital
PRABHUDAS LILLADHER

Restaurant Brands Asia (RBA IN)

Q1FY27 Result Update

August 04, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Double digit SSSG puts India business on strong wicket

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	Accumulate		Accumulate	
Target Price	93		76	
Sales (INR mn)	27,224	32,085	26,644	31,394
% Chng.	*2.2*	*2.2*		
EBITDA (INR mn)	4,549	5,680	4,346	5,289
% Chng.	*4.7*	*7.4*		
EPS (INR)	0.5	1.5	0.2	1.1
% Chng.	*150.0*	*36.4*		

Key Data

Key Data	RESR.BO | RBA IN
BSE Code	543248
NSE Code	RBA
52-W High / Low	INR 87 / INR 57
Face Value	10
Sensex / Nifty	78,639 / 24,774
Market Cap	INR 51 bn / $ 532 mn
Shares Outstanding	711.72 mn
3M Avg. Daily Value	INR 483.03 mn

Shareholding Pattern (%)

Promoters	11.26
FIIs	10.59
Mutual Funds	29.18
Domestic Institutions	16.43
Public & Others	32.54
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(5.8)	9.1	12.6	(15.1)
Relative	(6.9)	6.7	19.9	(13.0)

Key Financials - Standalone

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	19,678	22,718	27,224	32,085
EBITDA (INR mn)	2,843	3,398	4,549	5,680
Margin (%)	*14.4*	*15.0*	*16.7*	*17.7*
PAT (INR mn)	(876)	(367)	386	1,208
EV (INR mn)	37,302	40,677	38,374	39,213
Total Debt (INR mn)	1,269	1,032	600	500
C&C Eq. (INR mn)	5,232	531	8,172	12,344
EPS (INR)	(1.5)	(0.6)	0.5	1.5
Gr. (%)	*8.7*	*(58.1)*	*(185.9)*	*179.2*
DPS (INR)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	*(4.3)*	*(1.7)*	*1.4*	*3.3*
RoCE (%)	*1.4*	*2.6*	*4.7*	*5.1*
EV/Sales (x)	1.9	1.8	1.4	1.2
EV/EBITDA (x)	13.1	12.0	8.4	6.9
PE (x)	(47.4)	(113.2)	1	47.2
P/BV (x)	1.8	2.0	1.5	1.5

Quick Pointers

- RBA is targeting 72% GM in next 2-3 years
- Company cash generation to be used for growth with no plan to use capital for promoters debt
- 1QFY27 SSSG highest in last 15 quarters with demand momentum remaining healthy

RBA delivered a healthy all-round performance with SSSG of 12.6%, driven by a strong value proposition and healthy in-store traffic. ADS stood at Rs131k, while sales/store grew 3.4%, reflecting continued improvement in store economics. Adj. PAT loss widened to Rs31.7mn (vs Rs3mn in Q4FY26), due to Rs120mn forex MTM loss of investment in Indonesia. Corporate overheads also declined by ~10% on strict cost control. Indonesia business continued to weigh on profitability with EBITDA loss of Rs91mn. While the Burger King brand maintained its recovery trajectory, Popeyes continued to witness muted traction amid intense competition from regional players.

RBA's India strategy is on track given 1) Value focus with combos (2 veg Burgers at Rs79, Chicken at Rs99, and Café at Rs99) 2) Premiumization focus with whooper Deluxe and Kings collection 3) cost reduction in utilities and 4) gradual increase in ADS of Café business with target to reach Rs25000 over LT.

Near-term outlook remains healthy, we believe operating leverage, tighter cost control and higher other income (Rs822/1626mn in FY27/28, driven by capital infusion) should enable RBA to turn PAT positive in India business in FY27. Potential exit from the Indonesia business remains a key determinant. Retain Accumulate with SOTP-based TP of Rs93 (Rs76 earlier).

India SSG at 11.6%, ADS up 9.1% YoY: Revenues grew by 23.6% YoY to Rs6.8bn (PLe: Rs6.5bn). Gross margins expanded 313bps YoY to 70.8% (Ple: 69.5%). EBITDA grew 43.1% YoY to Rs974.9mn (PLe:Rs1008mn); Margins expanded 194bps YoY to 14.3% (PLe:15.5%). Adj loss came Rs-31.7mn (PLe:profit of Rs38mn) due to higher other expense (Rs120mn MTM forex loss). SSSG came at robust 12.6% for 1Q, highest in last 15 quarters

BK Indonesia continue to underperform: Revenues declined by 3.9% YoY to Rs1.4bn. Gross margins expanded by 147bps YoY to 58.2%. EBITDA loss came in at Rs20mn, Adj Loss came in at Rs416mn

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	*% Var.*	Q1'26A	*YoY gr. (%)*
Net Sales (INR mn)	6,506	6,829	*5.0*	5,523	*24.0*
EBITDA (INR mn)	1,008	975	*-3.0*	681	*43.0*
Margin (%)	*15.5*	*14.3*	*-120 bps*	*12.3*	*200 bps*
PAT (INR mn)	38	-32	*-184.0*	-116	*-72.0*

Source: Company, PL

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Conference Call Highlights

- 1QFY27 SSG of 12.6% was primarily driven by increased traffic and no significant price increases.
- BK India/ BK Indonesia/ Popeye contributed 83%/15%/2% towards consol revenue. RBA seems open to undertaking and exploring strategic options for Popeyes business in Indonesia.
- RBA plans to continue adding ~80 stores in India, while in Indonesia the focus remains on optimizing existing operations and improving efficiency rather than new store expansion.
- The Franchisor, RBI, has committed to invest $9mn over the next 3 years for marketing support in Indonesia business
- Management launched co-branded desserts and shakes in India, contributing to the 12.6% sales growth.
- The management has guided gross margin target of 72% for India business in next 2-3 years driven by supply chain cluster approach, product mix and new initiatives rather than price increases
- RBA flagged an industry wide uptick in India, with peers also posting improved results this quarter following a prolonged period of subdued growth.
- The management has guided that the cash generated will be utilized for growth instead of dividends to service promotors debt
- RBA to focus on strengthening the menu with Co-branded desserts & shakes with introducing premium Korean and peri peri burgers.

Exhibit 1: Quarterly Estimates

(INR mn)	1QFY27	*YoY gr. (%)*	2QFY27E	*YoY gr. (%)*	3QFY27E	*YoY gr. (%)*	4QFY27E	*YoY gr. (%)*
Net Sales	6,829	*23.6*	6,739	*18.5*	6,928	*20.0*	6,729	*17.3*
EBITDA	975	*43.1*	1,112	*43.3*	1,282	*33.9*	1,180	*20.2*
Margins (%)	*14.3*	*194 bps*	*16.5*	*285 bps*	*18.5*	*192 bps*	*17.5*	*42 bps*
Adj. PAT	-32	*NA*	97	*NA*	232	*NA*	90	*NA*

Source: Company, PL

Exhibit 2: India Business - 1QFY27 Results - Net sales up 23.6%, Gross Margins up 313bps YoY (INR mn)

Y/e March	Q1FY27	Q1FY26	*YoY gr. (%)*	Q4FY26	FY27E	FY26	*YoY gr. (%)*
Net Sales	**6,829**	**5,523**	***23.6***	**5,735**	**26,644**	**22,717**	***17.3***
Gross Profit	4,837	3,739	*29.4*	4,027	18,519	15,683	*18.1*
% of NS	*70.8*	*67.7*	*3.1*	*70.2*	*69.5*	*69.0*	*0.5*
Other Expenses	3,862	3,058	*26.3*	3,045	14,173	12,287	*15.4*
% of NS	*56.6*	*55.4*		*53.1*	*53.2*	*54.1*	
EBITDA	**974.9**	**681.1**	***43.1***	**982.0**	**4,346.0**	**3,396.3**	***28.0***
Margins %	*14.3*	*12.3*	*1.9*	*17.1*	*16.3*	*15.0*	*1.4*
Depreciation	764	663	*15.3*	738	3,222	2,805	*14.9*
Interest	445	410		457	1,770	1,688	
Other Income	202	276	*(26.7)*	210	818	728	*12.5*
PBT	-32	-116	*72.6*	-3	173	-369	*146.8*
Adj PAT	**-32**	**-116**	***72.6***	**-3**	**173**	**-369**	***146.8***

Source: Company, PL

Exhibit 3: India Business – 9 new stores opened during 1Q, Sales/store up by 9% YoY

Y/e March (INR mn)	1Q26	2Q26	3Q26	4Q26	1Q27
Sales/ Store	10.7	10.8	10.4	9.9	11.7
Growth %	*-0.6*	*1.1*	*2.3*	*3.4*	*9.0*
Stores	519	533	577	581	590
SSS Growth (%)	*2.6*	*2.8*	*4.5*	*6.3*	*12.6*
Dine in Sales	3,203	3,184	3,233	3,211	3,824
Growth	*12.6%*	*13.5%*	*12.5%*	*15.0%*	*19.4%*
Delivery Sales	2320	2502	2540	2523	3005
Growth	*12.6%*	*18.2%*	*22.1%*	*19.8%*	*29.5%*
BK Café	482	507	554	559	NA

Source: Company, PL

Exhibit 4: India business: Restaurant/Company Pre IndAs margin up 350bps/360bps YoY

India (Pre Ind AS 116) (INR mn)	1Q26	2Q26	3Q26	4Q26	1Q27
Restaurant EBITDA	536	592	749	759	900
Margin	*9.7%*	*10.4%*	*13.0%*	*13.2%*	*13.2%*
Company EBITDA	225	284	406	409	527
Margin	*4.1%*	*5.0%*	*7.0%*	*7.1%*	*7.7%*
Corp overheads	310	308	343	350	373
% of sales	*5.6%*	*5.4%*	*5.9%*	*6.1%*	*5.5%*

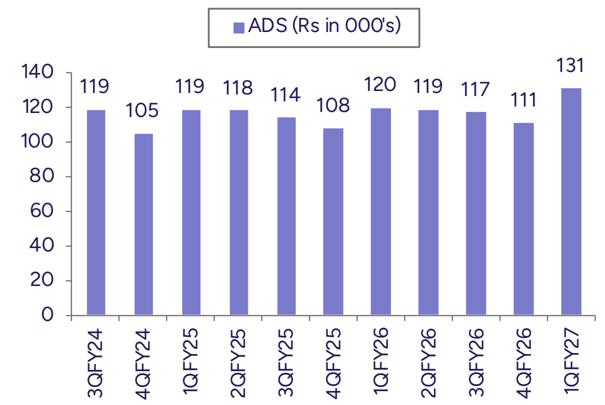
Source: Company, PL

Exhibit 5: Indonesia - Results – Net Sales decline by 3.9%, Gross Margins increased by 150bps to 58.2%

Y/e March (INR mn)	Q1FY27	Q1FY26	*YoY gr. (%)*	Q4FY26	FY26	FY25	*YoY gr. (%)*
Net Sales	1,397	1,454	*(3.9)*	1,334	5,509.2	5,829.6	*-5.5%*
Gross Profit	813	825	*(1.4)*	785	3,143.8	3,273.0	*-3.9%*
% of NS	*58.2*	*56.7*	*1.5*	*58.9*	*57.1*	*56.1*	
Pre Ind As Company EBITDA	-91	-106		-139	-575	-624	
Margins %	-6.5	-7.3		-10.4	-10.4	-10.7	
Pre Ind As Restaurant EBITDA	33	2		27	-89	-133	
Margin %	*2.4*	*0.1*		*2.0*	*-1.6*	*-2.3*	

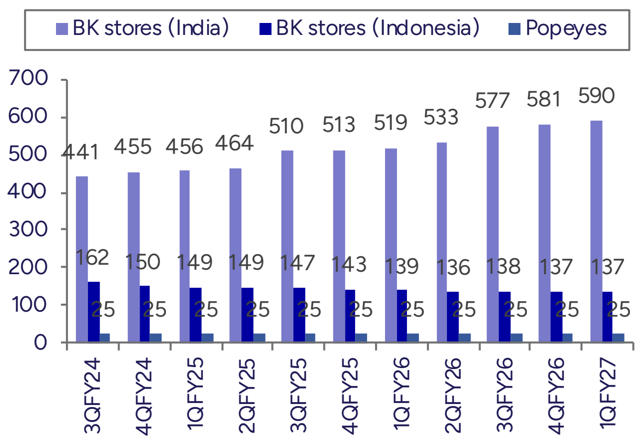
Source: Company, PL

Exhibit 6: India ADS up ~9% YoY, breaks barrier of 130



Source: Company, PL

Exhibit 7: India Store count at 590 in 1QFY27



Source: Company, PL

Exhibit 8: RBA continue to drive value meals for consumers

2for79 to be market competitive

Crazy App Deals to increase frequency of BK App

Thematic Saver "Meals for 2" for higher group sizes

Source: Company, PL

Exhibit 9: We assign SOTP based target price of Rs93

SOTP	Basis	Value/Share
India	DCF	82
Indonesia	BV	11
Total Value/share		**93**

Source: PL

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	**19,678**	**22,718**	**27,224**	**32,085**
YoY gr. (%)	*11.8*	*15.4*	*19.8*	*17.9*
Cost of Goods Sold	6,355	7,034	8,111	9,533
Gross Profit	13,322	15,683	19,113	22,552
Margin (%)	*67.7*	*69.0*	*70.2*	*70.3*
Employee Cost	2,989	3,560	4,093	4,729
Other Expenses	990	1,162	1,384	1,631
EBITDA	**2,843**	**3,398**	**4,549**	**5,680**
YoY gr. (%)	*19.5*	*19.5*	*33.9*	*24.9*
Margin (%)	*14.4*	*15.0*	*16.7*	*17.7*
Depreciation and Amortization	2,546	2,805	3,222	3,819
EBIT	**297**	**593**	**1,327**	**1,861**
Margin (%)	*1.5*	*2.6*	*4.9*	*5.8*
Net Interest	1,411	1,688	1,770	1,905
Other Income	239	728	829	1,655
Profit Before Tax	**(876)**	**(367)**	**386**	**1,611**
Margin (%)	*(4.5)*	*(1.6)*	*1.4*	*5.0*
Total Tax	-	-	-	403
Effective Tax Rate (%)	-	-	-	*25.0*
Profit After Tax	**(876)**	**(367)**	**386**	**1,208**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**(876)**	**(367)**	**386**	**1,208**
YoY gr. (%)	*27.4*	*(58.1)*	*(205.3)*	*212.6*
Margin (%)	*(4.5)*	*(1.6)*	*1.4*	*3.8*
Extra Ord. Income / (Exp)	-	(1,223)	-	-
Reported PAT	**(876)**	**(1,590)**	**386**	**1,208**
YoY gr. (%)	*27.4*	*81.5*	*(124.3)*	*212.6*
Margin (%)	*(4.5)*	*(7.0)*	*1.4*	*3.8*
Other Comprehensive Income	(20)	(10)	-	-
Total Comprehensive Income	(896)	(1,600)	386	1,208
Equity Shares O/s (mn)	**582**	**583**	**715**	**800**
EPS (INR)	**(1.5)**	**-**	**0.5**	**1.5**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	**33,471**	**38,709**	**45,750**	**52,059**
Tangibles	32,030	37,463	44,006	50,141
Intangibles	1,441	1,246	1,744	1,918
Acc: Dep / Amortization	**11,458**	**14,262**	**17,484**	**21,302**
Tangibles	11,126	13,846	16,975	20,692
Intangibles	332	416	508	610
Net Fixed Assets	**22,013**	**24,447**	**28,266**	**30,757**
Tangibles	20,904	23,617	27,031	29,449
Intangibles	1,109	830	1,235	1,308
Capital Work In Progress	258	384	413	413
Goodwill	-	-	-	-
Non-Current Investments	13,137	12,065	12,044	12,119
Net Deferred Tax Assets	-	-	-	-
Other Non-Current Assets	434	643	732	746
Current Assets				
Investments	235	1,379	5,000	6,000
Inventories	234	237	333	392
Trade Receivables	257	380	261	308
Cash & Bank Balance	5,232	531	8,172	12,344
Other Current Assets	264	259	326	384
Total Assets	**42,858**	**42,740**	**58,203**	**66,385**
Equity				
Equity Share Capital	5,821	5,828	7,145	8,002
Other Equity	16,784	15,265	26,175	31,026
Total Networth	**22,604**	**21,093**	**33,320**	**39,028**
Non-Current Liabilities				
Long Term Borrowings	482	404	-	-
Provisions	404	476	563	647
Other Non Current Liabilities	1,070	1,093	1,180	1,239
Current Liabilities				
ST Debt / Current of LT Debt	787	629	600	500
Trade Payables	1,731	1,588	2,178	2,538
Other Current Liabilities	2,058	2,175	2,741	3,031
Total Equity & Liabilities	**42,859**	**42,739**	**58,203**	**66,384**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	(876)	(367)	386	1,611
Add. Depreciation	2,546	2,805	3,222	3,819
Add. Interest	1,411	1,688	1,770	1,905
Less Financial Other Income	239	728	829	1,655
Add. Other	556	(1,347)	85	129
Op. Profit before WC Changes	3,638	2,779	5,463	7,463
Net Changes-WC	(511)	(1,769)	870	220
Direct Tax	-	-	-	(403)
Net Cash from Op. Activities	**3,127**	**1,010**	**6,333**	**7,280**
Capital Expenditures	(6,048)	(4,199)	(7,069)	(6,309)
Interest / Dividend Income	-	-	-	-
Others	471	(1,238)	(3,600)	(1,075)
Net Cash from Invt. Activities	**(5,577)**	**(5,437)**	**(10,670)**	**(7,384)**
Issue of Share Cap. / Premium	5,004	88	11,841	4,500
Debt Changes	3,866	1,324	1,906	1,682
Dividend Paid	-	-	-	-
Interest Paid	(1,411)	(1,688)	(1,770)	(1,905)
Others	-	-	-	-
Net Cash from Fin. Activities	**7,459**	**(276)**	**11,977**	**4,277**
Net Change in Cash	**5,008**	**(4,703)**	**7,641**	**4,173**
Free Cash Flow	(2,922)	(3,189)	(736)	971

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Net Revenues	**5,687**	**5,773**	**5,735**	**6,829**
YoY gr. (%)	*15.6*	*16.5*	*17.1*	*23.6*
Raw Material Expenses	1,802	1,740	1,708	1,992
Gross Profit	3,884	4,034	4,027	4,837
Margin (%)	*68.3*	*69.9*	*70.2*	*70.8*
EBITDA	**776**	**957**	**982**	**975**
YoY gr. (%)	*10.9*	*23.3*	*31.1*	*43.1*
Margin (%)	*13.6*	*16.6*	*17.1*	*14.3*
Depreciation / Depletion	690	715	738	764
EBIT	**86**	**242**	**244**	**211**
Margin (%)	*1.5*	*4.2*	*4.3*	*3.1*
Net Interest	404	417	457	445
Other Income	115	128	210	202
Profit before Tax	**(202)**	**(48)**	**(3)**	**(32)**
Margin (%)	*(3.6)*	-	-	-
Total Tax	-	-	-	-
Effective Tax Rate (%)	-	-	-	-
Profit After Tax	**(202)**	**(48)**	**(3)**	**(32)**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**(202)**	**(48)**	**(3)**	**(32)**
YoY gr. (%)	*21.9*	*(74.3)*	*(98.7)*	*(72.6)*
Margin (%)	*(3.6)*	-	-	-
Extra Ord. Income / (Exp)	-	(23)	(1,200)	-
Reported PAT	**(202)**	**(70)**	**(1,203)**	**(32)**
YoY gr. (%)	*21.9*	*(62.2)*	*373.3*	*(72.6)*
Margin (%)	*(3.6)*	*(1.2)*	*(21.0)*	-
Other Comprehensive Income	7	(10)	7	-
Total Comprehensive Income	**(195)**	**(81)**	**(1,196)**	**(32)**
Avg. Shares O/s (mn)	-	-	-	-
EPS (INR)	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**

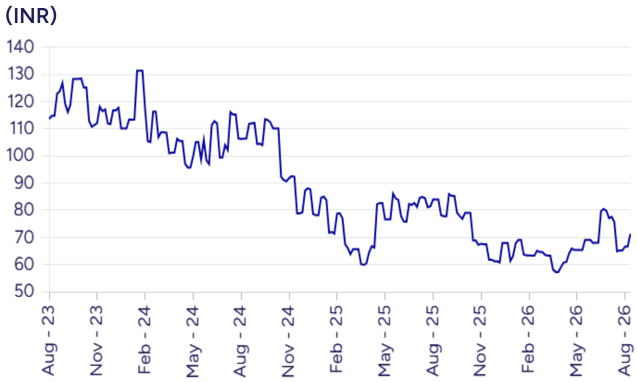
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	(1.5)	-	0.5	1.5
CEPS	2.9	4.2	5.0	6.3
BVPS	38.8	36.2	46.6	48.8
FCF	(5.0)	(5.5)	(1.0)	1.2
DPS	-	-	-	-
Return Ratio (%)				
RoCE	1.4	2.6	4.7	5.1
ROIC	0.8	1.5	2.9	3.9
RoE	(4.3)	(1.7)	1.4	3.3
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	(23)	(16)	(21)	(21)
Valuation (x)				
PER	(47.4)	(113.3)	1.0	47.2
P/B	1.8	1.9	1.5	1.4
P/CEPS	24.8	17.0	14.1	11.3
EV/EBITDA	13.1	11.9	8.4	6.9
EV/Sales	1.8	1.7	1.4	1.2
Dividend Yield (%)	-	-	-	-
FCFF Yield (%)	(7.1)	(7.7)	(1.5)	1.7
PEG Ratio	(5.5)	1.9	1.0	0.2

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	08-Jul-26	Accumulate	76	73
2	15-May-26	Accumulate	76	67
3	09-Apr-26	Accumulate	75	62
4	27-Mar-26	Accumulate	82	60
5	04-Feb-26	Accumulate	82	63
6	21-Jan-26	Accumulate	81	64
7	08-Jan-26	Accumulate	81	68
8	31-Oct-25	Accumulate	87	72
9	08-Oct-25	Accumulate	87	75
10	31-Jul-25	Accumulate	87	81

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Asian Paints	HOLD	2720	2758
2	Avenue Supermarts	HOLD	4000	3847
3	Britannia Industries	BUY	6441	5452
4	Colgate Palmolive	HOLD	2242	2166
5	Dabur India	HOLD	492	434
6	Emami	HOLD	469	146
7	Hindustan Unilever	Accumulate	2320	2023
8	ITC	HOLD	291	281
9	Jubilant FoodWorks	BUY	576	455
10	Marico	Accumulate	876	848
11	Metro Brands	Accumulate	1187	1058
12	Nestle India	Accumulate	1606	1494
13	Pidilite Industries	BUY	1729	1622
14	Restaurant Brands Asia	Accumulate	76	73
15	Titan Company	BUY	5209	4604
16	Westlife Foodworld	Accumulate	543	487

PL's Recommendation Nomenclature (Absolute Performance)

BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

ANALYST CERTIFICATION

Indian Clients

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