

October 31, 2025

Q2FY26 Result Update

■ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	87		87	
Sales (Rs. m)	27,222	32,443	27,222	32,443
% Chng.	-	-	-	-
EBITDA (Rs. m)	4,319	5,525	4,319	5,525
% Chng.	-	-	-	-
EPS (Rs.)	(0.9)	0.1	(0.9)	0.1
% Chng.	-	-	-	-

Key Financials - Standalone

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	19,680	22,856	27,222	32,443
EBITDA (Rs. m)	2,846	3,326	4,319	5,525
Margin (%)	14.5	14.5	15.9	17.0
PAT (Rs. m)	(873)	(623)	(525)	51
EPS (Rs.)	(1.5)	(1.1)	(0.9)	0.1
Gr. (%)	26.6	(28.7)	(15.8)	(109.6)
DPS (Rs.)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	(4.2)	(2.8)	(2.4)	0.2
RoCE (%)	1.4	2.0	4.4	7.7
EV/Sales (x)	1.9	1.7	1.5	1.2
EV/EBITDA (x)	13.2	11.6	9.2	7.0
PE (x)	(47.9)	(67.1)	(79.7)	827.0
P/BV (x)	1.8	1.9	1.9	1.9

Key Data

RESR.BO | RBA IN

52-W High / Low	Rs.94 / Rs.59
Sensex / Nifty	84,404 / 25,878
Market Cap	Rs.42bn/ \$ 471m
Shares Outstanding	582m
3M Avg. Daily Value	Rs.115.21m

Shareholding Pattern (%)

Promoter's	11.27
Foreign	20.65
Domestic Institution	40.07
Public & Others	28.01
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(6.7)	(11.4)	(21.2)
Relative	(11.3)	(15.7)	(25.4)

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Demand revival, Indonesia exit key to re-rating

Quick Pointers:

- 2QFY26 SSG at 2.8%, higher employee cost (up 18% YoY) dragged margins
- October sees pickup in demand, Q3 expected to be better QoQ

RBA reported SSSG of 2.8%, driven by its continued focus on strengthening the value proposition and healthy store traffic. ADS stood at Rs 119k, reflecting stable consumer traction. However, adjusted loss widened to Rs202mn, due to ~18% YoY increase in manpower costs and higher overheads. This was partially offset by higher other income, which rose from Rs71mn to Rs 115mn. The Indonesia business remained a drag, with sales declining 3.9% YoY, though RBA highlighted early signs of demand recovery supported by a stabilizing geopolitical environment and the completion of store rationalization. RBA also seems open to divesting the Indonesia business if a suitable opportunity arises. We believe exit from Indonesia could allow RBA to unlock value and reallocate capital towards its India operations, which offer a more stable macro backdrop and a long runway for growth.

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) digital driven ordering 3) cost reduction in delivery business 4) control over overheads and 5) gradual increase in ADS of Café business from current levels of Rs13k led by innovation and combo offerings.

We estimate India business to turn PBT from operations positive by FY28 only. Near term outlook looks cautiously optimistic as demand revival on the account of GST reforms and cost control hold key to improving margins. Retain Accumulate with SOTP based target price of Rs87 with back ended returns.

India SSG at 2.8%, ADS up 0.8% YoY - India Revenues grew by 15.6% YoY to Rs5.7bn (PLe: Rs5.6bn). Gross margins expanded 80bps YoY to 68.3% (PLe: 68.0%). EBITDA grew by 10.9% YoY to Rs776mn (PLe:Rs821mn)

Margins contracted by 57bps YoY to 13.6% (PLe:14.5%). Adj loss came at Rs202.1mn (PLe: Rs184mn) however saw a sharp increase in other income from 71mn to Rs115mn.

SSG came at 2.8% YoY, ADS at 119 was up by 0.8% YoY. Pre IND-AS EBITDA increased by 5% YoY to Rs284mn.

Indonesia impacted due to unrest: Revenues declined by 3.9% YoY to Rs1.3bn . Gross margins expanded by 111bps YoY to 56.9%. EBITDA loss came at Rs66.4mn, Margins contracted by 14bps YoY to 4.9% . Adj loss came at Rs431.2mn. Pre-IND-AS EBITDA loss came at Rs170mn vs 206mn in Q2FY25 on the back of reduction in corporate overheads.

Concall Takeaways: 1)1Q SSSG was 2.8% (2.6% in 1Q26) led by healthy growth in SSTG with continuous traction in value offerings. 2) October has been good and company expects demand to continue for full Q3 on the back of winter holidays and menu innovation. 3) Launched Korean Spicy Fest and relaunched kings collection with premium buns 4) ADS came at 119k up just 0.8% YoY as newer stores continue to drag overall ADS 4) Focus on digital journey to continue with 91% orders for dine in are through SOK & BK app 5) Labor costs increased by 5%/18.2% QoQ/YoY as company continue to add interns and college pass out students for lobby service in restaurant 6) investment behind people costed them ~0.7% on EBITDA In Q2 7) Gross margins improved by 60bps QoQ on the back of better menu mix and supply chain efficiencies, company expects this trajectory to continue with target to reach ~70% by FY29 8) Indonesia business is witnessed mixed quarter with September being impacted by geopolitical issues, however things have stabilized and things are back to normal 8) popeye continue to face challenges from hyper competition from local and global players 9) Company is actively looking for a buyer for its Indonesia business. 10) The company maintains its guidance to add 60-80 restaurants annually to reach approximately 800 restaurants by FY2029 11) Management expects market conditions to improve by Q3 with more positive tailwinds amidst supportive macro environments

Exhibit 1: India Business - 2QFY26 Results – Net sales up 12.6%, Gross margins up 80bps YoY

(Rs mn)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	1HFY26	1HFY25	YoY gr. (%)
Net Sales	5,687	4,921	15.6	5,523	11,209	9,826	14.1
Gross Profit	3,884	3,322	16.9	3,739	7,623	6,640	14.8
% of NS	68.3	67.5	0.8	67.7	68.0	67.6	0.4
EBITDA	776.0	699.7	10.9	681.1	1,457.1	1,324.8	10.0
Margins %	13.6	14.2	-0.6	12.3	13.0	13.5	(0.5)
Depreciation	690	611	12.9	663	1,352	1,244	8.7
Interest	404	326		410	813	644	
Other Income	115	71	62.3	276	391	128	205.0
PBT	-202	-166	(21.9)	-116	-318	-435	27.0
Adjusted PAT	-202	-166	-22	-116	-318	-435	27

Source: Company, PL

Exhibit 2: India Business - 14 new stores opened during 2Q, dine in sales ratio declined 100bps YoY, 200bps QoQ

Y/E March	2Q25	3Q25	4Q25	1Q26	2Q26
Stores	464	510	513	519	533
BK Café	365	433	464	482	507
SSS Growth (%)	-3	-0.5	5.1	2.6	2.8
ADS (Rs 000)	118	114	108	120	119
Sales/ Store	10.7	10.2	9.6	10.7	10.8
% Growth YoY	-5.6	-3.5	-2.3	-0.6	0.4
Dine in Sales	2805	2873	2792	3203	3184
% Growth YoY			16%	13%	14%
Delivery Sales	2116	2081	2106	2320	2502
% Growth YoY			7%	13%	18%

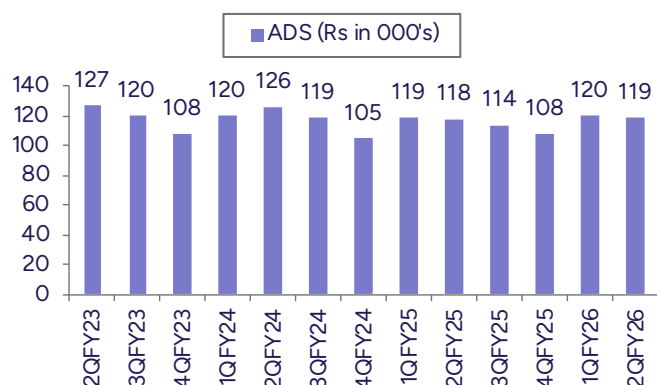
Source: Company, PL

Exhibit 3: 2QFY26 Results – Indonesia Net Sales decline by 3.9%, Gross Margins improved to 56.9%

(Rs mn)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	Q1FY25	1HFY25	YoY gr. (%)
Net Sales	1,348	1,403	(3.9)	1,454	2,802	2,965	-5
Gross Profit	767	783	(2.0)	942	1,709	1,636	4
% of NS	56.9	55.8	1.1	64.8	61.0	55.2	5.8
EBITDA	-66	-67.18	(1.2)	164	97	-61	-260
Margins %	-4.9	-4.79	(0.1)	11	3	-2	6
Depreciation	280	297	-6	271	551	580	-5
Interest	53	55	-4	58	111	111	0
Other Income	-33	-70	(53.4)	-56	-88	10	
PBT	-431	-489	11.8	-221	-653	-741	-12
Tax	0	0		0	0	0	
Tax rate %	0	0	0.0	0	0	0	0
Adjusted PAT	-431	-489	12	-221	-653	-741	-12

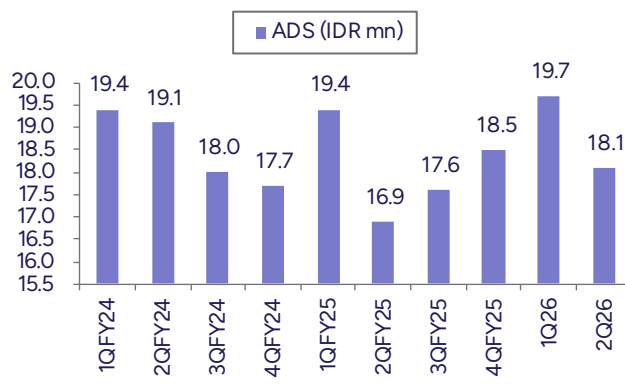
Source: Company, PL

Exhibit 4: India ADS up 0.8% YoY



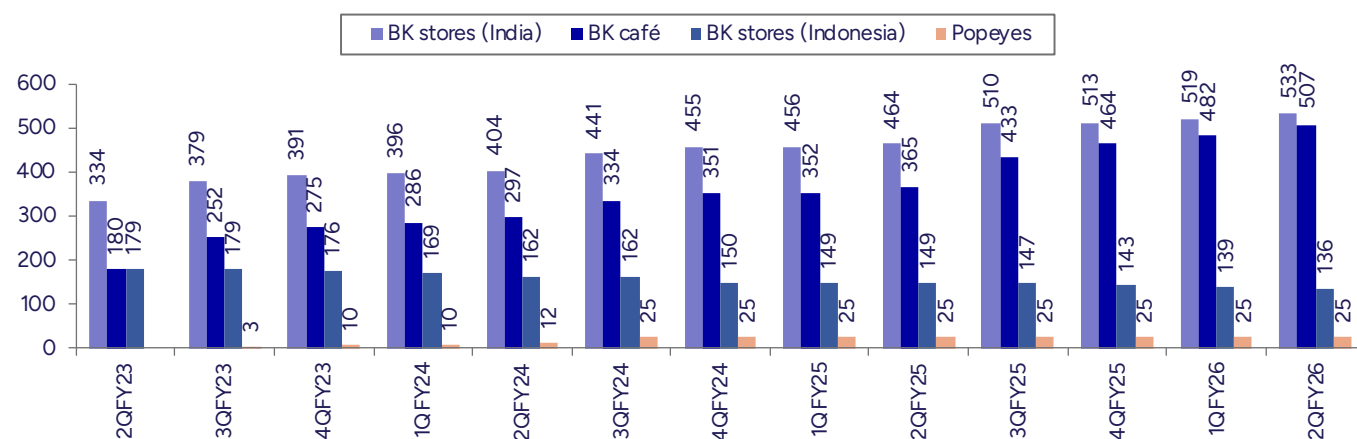
Source: Company, PL

Exhibit 5: Indonesia ADS up 7.1% YoY



Source: Company, PL

Exhibit 6: India store count at 533 in 2QFY26



Source: PL, Company

Exhibit 7: RBA continue to drive value meals for consumers



Source: PL, Company

Exhibit 8: We assign SOTP based target price of Rs87

SOTP	Basis	Value/Share
India	DCF	70
Indonesia	BV	18
Total Value/share		87

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	19,680	22,856	27,222	32,443
YoY gr. (%)	11.8	16.1	19.1	19.2
Cost of Goods Sold	6,355	7,300	8,463	9,962
Gross Profit	13,325	15,556	18,758	22,480
Margin (%)	67.7	68.1	68.9	69.3
Employee Cost	2,986	3,577	4,198	4,799
Other Expenses	962	1,139	1,383	1,650
EBITDA	2,846	3,326	4,319	5,525
YoY gr. (%)	19.7	16.8	29.9	27.9
Margin (%)	14.5	14.5	15.9	17.0
Depreciation and Amortization	2,546	2,856	3,330	3,800
EBIT	300	469	990	1,726
Margin (%)	1.5	2.1	3.6	5.3
Net Interest	1,412	1,636	1,804	1,953
Other Income	239	544	289	278
Profit Before Tax	(873)	(623)	(525)	51
Margin (%)	(4.4)	(2.7)	(1.9)	0.2
Total Tax	-	-	-	-
Effective tax rate (%)	-	-	-	-
Profit after tax	(873)	(623)	(525)	51
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	(873)	(623)	(525)	51
YoY gr. (%)	26.6	(28.7)	(15.8)	(109.6)
Margin (%)	(4.4)	(2.7)	(1.9)	0.2
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	(873)	(623)	(525)	51
YoY gr. (%)	26.6	(28.7)	(15.8)	(109.6)
Margin (%)	(4.4)	(2.7)	(1.9)	0.2
Other Comprehensive Income	(20)	-	-	-
Total Comprehensive Income	(893)	(623)	(525)	51
Equity Shares O/s (m)	582	582	582	582
EPS (Rs)	(1.5)	(1.1)	(0.9)	0.1

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	33,491	39,459	46,000	51,224
Tangibles	32,137	37,970	44,363	49,423
Intangibles	1,353	1,489	1,638	1,801
Acc: Dep / Amortization	11,477	14,333	17,663	21,462
Tangibles	11,232	14,010	17,252	20,957
Intangibles	244	323	410	506
Net fixed assets	22,014	25,126	28,338	29,762
Tangibles	20,905	23,961	27,110	28,467
Intangibles	1,109	1,165	1,228	1,296
Capital Work In Progress	258	457	495	385
Goodwill	-	-	-	-
Non-Current Investments	13,137	13,143	13,228	13,298
Net Deferred tax assets	-	-	-	-
Other Non-Current Assets	434	571	629	525
Current Assets				
Investments	235	500	500	750
Inventories	234	300	348	409
Trade receivables	257	157	261	311
Cash & Bank Balance	5,232	3,102	2,328	2,609
Other Current Assets	264	273	326	388
Total Assets	42,858	44,498	47,410	49,492
Equity				
Equity Share Capital	5,821	5,821	5,821	5,821
Other Equity	16,783	16,316	15,923	15,961
Total Network	22,604	22,137	21,743	21,781
Non-Current Liabilities				
Long Term borrowings	482	-	-	-
Provisions	404	479	565	650
Other non current liabilities	1,070	1,124	1,180	1,239
Current Liabilities				
ST Debt / Current of LT Debt	787	500	600	500
Trade payables	1,731	1,964	2,267	2,650
Other current liabilities	2,058	2,448	2,706	2,756
Total Equity & Liabilities	42,858	44,498	47,410	49,491

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	(873)	(623)	(525)	51
Add. Depreciation	2,546	2,856	3,330	3,800
Add. Interest	1,412	1,636	1,804	1,953
Less Financial Other Income	239	544	289	278
Add. Other	556	(8)	84	248
Op. profit before WC changes	3,641	3,861	4,692	6,051
Net Changes-WC	(511)	570	270	163
Direct tax	-	156	131	(13)
Net cash from Op. activities	3,130	4,587	5,094	6,201
Capital expenditures	(6,049)	(6,167)	(6,580)	(5,114)
Interest / Dividend Income	-	-	-	-
Others	471	(270)	(85)	(320)
Net Cash from Invst. activities	(5,577)	(6,437)	(6,665)	(5,434)
Issue of share cap. / premium	5,005	-	-	-
Debt changes	3,866	1,356	2,601	1,467
Dividend paid	-	-	-	-
Interest paid	(1,412)	(1,636)	(1,804)	(1,953)
Others	-	-	-	-
Net cash from Fin. activities	7,459	(280)	798	(486)
Net change in cash	5,012	(2,131)	(773)	281
Free Cash Flow	(2,919)	(1,580)	(1,486)	1,087

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	(1.5)	(1.1)	(0.9)	0.1
CEPS	2.9	3.8	4.8	6.6
BVPS	38.8	38.0	37.4	37.4
FCF	(5.0)	(2.7)	(2.6)	1.9
DPS	-	-	-	-
Return Ratio(%)				
RoCE	1.4	2.0	4.4	7.7
ROIC	0.8	1.1	2.2	3.7
RoE	(4.2)	(2.8)	(2.4)	0.2
Balance Sheet				
Net Debt : Equity (x)	(0.2)	(0.1)	(0.1)	(0.1)
Net Working Capital (Days)	(23)	(24)	(22)	(22)
Valuation(x)				
PER	(47.9)	(67.1)	(79.7)	827.0
P/B	1.8	1.9	1.9	1.9
P/CEPS	25.0	18.7	14.9	10.9
EV/EBITDA	13.2	11.6	9.2	7.0
EV/Sales	1.9	1.7	1.5	1.2
Dividend Yield (%)	-	-	-	-

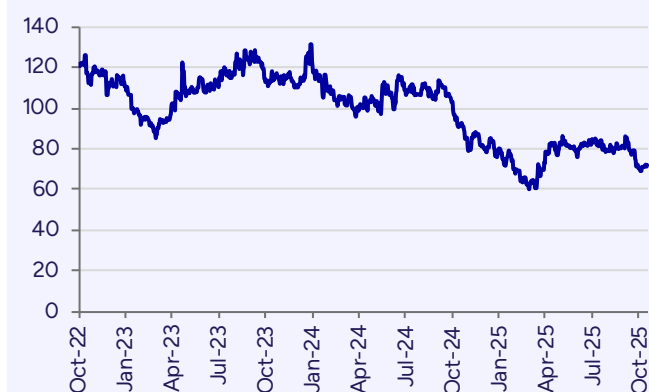
Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY25	Q3FY25	Q1FY26	Q2FY26
Net Revenue	4,921	4,954	5,523	5,688
YoY gr. (%)	33.1	11.2	12.6	15.6
Raw Material Expenses	1,599	1,593	1,784	1,802
Gross Profit	3,322	3,361	3,739	3,885
Margin (%)	67.5	67.8	67.7	68.3
EBITDA	700	776	681	777
YoY gr. (%)	46.2	9.7	9.0	11.1
Margin (%)	14.2	15.7	12.3	13.7
Depreciation / Depletion	611	632	663	690
EBIT	89	144	18	87
Margin (%)	1.8	2.9	0.3	1.5
Net Interest	326	364	410	404
Other Income	71	34	276	115
Profit before Tax	(166)	(186)	(116)	(201)
Margin (%)	(3.4)	(3.8)	(2.1)	(3.5)
Total Tax	-	-	-	-
Effective tax rate (%)	-	-	-	-
Profit after Tax	(166)	(186)	(116)	(201)
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	(166)	(186)	(116)	(201)
YoY gr. (%)	48.0	190.7	(57.1)	21.3
Margin (%)	(3.4)	(3.8)	(2.1)	(3.5)
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	(166)	(186)	(116)	(201)
YoY gr. (%)	48.0	190.7	(57.1)	21.3
Margin (%)	(3.4)	(3.8)	(2.1)	(3.5)
Other Comprehensive Income	(4)	(2)	-	7
Total Comprehensive Income	(170)	(188)	(116)	(194)
Avg. Shares O/s (m)	-	-	-	-
EPS (Rs)	-	-	-	-

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Oct-25	Accumulate	87	75
2	31-Jul-25	Accumulate	87	81
3	09-Jul-25	Accumulate	89	82
4	20-May-25	Accumulate	89	82
5	09-Apr-25	Accumulate	74	67
6	29-Jan-25	Hold	76	72
7	08-Jan-25	Hold	100	80

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Asian Paints	Reduce	2,248	2,353
2	Avenue Supermarts	Hold	4,111	4,320
3	Britannia Industries	BUY	6,484	5,897
4	Colgate Palmolive	Hold	2,534	2,287
5	Dabur India	Hold	490	502
6	Emami	Accumulate	608	552
7	Hindustan Unilever	Accumulate	2,772	2,602
8	ITC	BUY	530	419
9	Jubilant FoodWorks	Hold	670	614
10	Kansai Nerolac Paints	Accumulate	272	246
11	Marico	Accumulate	778	715
12	Metro Brands	Hold	1,276	1,203
13	Mold-tek Packaging	Accumulate	821	761
14	Nestle India	Hold	1,359	1,277
15	Pidilite Industries	BUY	1,714	1,471
16	Restaurant Brands Asia	Accumulate	87	75
17	Titan Company	BUY	3,902	3,418
18	Westlife Foodworld	Hold	748	677

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

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We/I, Mr. Amnish Aggarwal- MBA, CFA, Mr. Vishwa Solanki- PGDM - Finance, Mr. Parth Thakker- BFM, Passed CFA Level II Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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