

March 31, 2026

## Restaurant Brands Asia Limited: Ratings reaffirmed

### Summary of rating action

| Instrument*  | Previous rated amount<br>(Rs. crore) | Current rated amount<br>(Rs. crore) | Rating action                           |
|--|--------------------------------------|-------------------------------------|---|
| Long-term – term loans                               | 200.00                               | 200.00                              | [ICRA]A- (Stable); reaffirmed           |
| Long-term – fund-based working facilities            | 81.20                                | 81.20                               | [ICRA]A- (Stable); reaffirmed           |
| Long-term – fund-based – interchangeable limits      | (80.00)                              | (80.00)                             | [ICRA]A- (Stable); reaffirmed           |
| Short-term – non-fund based – interchangeable limits | (25.00)                              | (25.00)                             | [ICRA]A2+; reaffirmed                   |
| Long-term/ Short-term – unallocated limits           | 18.80                                | 18.80                               | [ICRA]A- (Stable)/[ICRA]A2+; reaffirmed |
| <b>Total</b>   | <b>300.00</b>                        | <b>300.00</b>                       |   |

\*Instrument details are provided in Annexure I

### Rationale

The ratings consider Restaurant Brands Asia Limited's (RBAL) established position in the Quick Service Restaurant (QSR) industry as the exclusive national franchisee of the Burger King brand in India and Indonesia and the Popeyes brand in Indonesia, with a wide network of 577 stores in India and 163 stores in Indonesia as of December 2025. Burger King is the second-largest fast-food burger brand globally, based on the total number of restaurants. RBAL offers a wide range of products, including burgers, sides, beverages and value meals, across multiple price points. The company has continued to localise its menu in India through region-specific offerings and a strong vegetarian portfolio, supporting wider consumer appeal and repeat consumption. The well-recognised brand, diversified product offerings across price points and continuous store additions (60–80 stores per annum over the past three years) supported healthy revenue growth, with a CAGR of 20% during FY2022–FY2025. However, sluggish consumer demand, reflected in modest same-store sales growth (SSSG), constrained revenue growth over the two-year period ending FY2025. In 9M FY2026, the company's revenue grew by 10.3% on a YoY basis, supported by improvement in SSSG and continued store additions. ICRA expects RBAL to continue to record healthy double-digit revenue growth over the medium term, driven by the planned addition of 60–80 stores per annum. The ratings also factor in the company's healthy net worth, despite continued net losses, which has been augmented through periodic equity infusions by promoters and capital markets. This has supported the company's liquidity position and expansion plans.

ICRA notes that the company's board and shareholders have approved a proposed change in shareholding, wherein the Inspira Global Group is set to acquire the 11.26% stake held by the existing promoter, QSR Asia Pte. Ltd., at Rs. 70 per share. In addition, the incoming promoter group is expected to infuse Rs. 1,500 crore through a preferential allotment of equity shares and warrants. While the transaction remains subject to approval from the Competition Commission of India (CCI), the proposed equity infusion is likely to support the company's sizeable expansion plans over the next 2–3 years and provide a liquidity cushion amid continued net losses. The incoming promoter group brings prior experience in operating large-scale QSR formats, which augurs well for the company's operations. Any significant changes in business strategy following the change in promoter, along with the deployment of the funds raised and their impact on the company's financial performance, will remain key monitorables.

The ratings, however, remain constrained by RBAL's continued net losses, despite an improvement in operating margins to 11.0% in 9M FY2026 from 5.4% in FY2023, impacted by the weak performance of the Indonesian operations and subdued SSSG in India. While SSSG in India improved in 9M FY2026, aided by value-pricing initiatives and improvement in disposable incomes

following rate cuts, tax relief measures and GST rationalisation, a sustained and meaningful improvement remains critical for achieving break-even at the net profit level. Further, the turnaround of the Indonesian operations, particularly the Popeyes business, continues to remain a key challenge, and the pace and effectiveness of corrective actions will remain a key monitorable. The ratings also factor in RBAL's aggressive expansion plans over the medium term, which entail elevated capital expenditure and are likely to constrain return indicators, including RoCE, even as operating margins improve. ICRA will continue to closely monitor the execution of store additions under the Master Franchise and Development Agreements (MFDAs), the funding mix for expansion, and the company's exposure to competitive intensity from organised QSR peers as well as unorganised local players, which could impact earnings resilience.

The Stable outlook on the [ICRA]A- rating reflects ICRA's opinion that RBAL's earnings growth will be supported by growth prospects of the QSR industry, expected uptick in consumer spending in the near term, and RBAL's acceptability as a well-recognised burger brand with a wide range of offerings in India.

## Key rating drivers and their description

### Credit strengths

**Well-recognised QSR brand with geographically diversified presence and an experienced management team** – RBAL operates as the exclusive national master franchisee of the Burger King brand in India, which is the second-largest fast-food burger brand globally in terms of number of restaurants. The company enjoys a pan-India presence with a network of 577 Burger King restaurants as on December 31, 2025. RBAL also has operations in Indonesia through its subsidiary, PT Sari Burger Indonesia, the exclusive national franchisee of Burger King and Popeyes in the country, thereby enhancing its geographical diversification within Asia. As on December 31, 2025, RBAL operated 138 Burger King and 25 Popeyes outlets in Indonesia, taking the aggregate store count across India and Indonesia to 740. The company's day-to-day operations are managed by an experienced professional management team with over a decade of experience in running similar businesses and are led by industry veteran Mr. Rajeev Varman.

**Diversified product offerings** – RBAL benefits from a diversified product portfolio anchored by the globally recognised Burger King brand, offering a wide range of burgers, sides, beverages and value meals across multiple price points. The company has continued to localise its menu in India through region-specific offerings and a healthy vegetarian portfolio, supporting wider consumer appeal and repeat consumption. In addition, the rollout of BK Café across Burger King outlets has strengthened RBAL's presence in the beverages and desserts segment, aiding higher average check values. As of December 2025, BK Café was operational in 554 out of 577 Burger King restaurants in India. In Indonesia, RBAL extended its presence beyond burgers as the Popeyes brand caters to the fried chicken segment. While the Popeyes business remains underperforming, the overall product mix provides resilience against demand volatility and evolving consumer preferences in the QSR segment.

**Healthy net worth base and adequate liquidity profile** – The company's net worth at a consolidated level remained healthy at Rs. 908.6 crore as on March 31, 2025, despite the continued losses, supported by continuous equity raise from the promoters and the market. It raised Rs. 500 crore through Qualified Institutional Placement (QIP) in March 2025, significantly strengthening its net worth liquidity profile. Of this, Rs. 200 crore was unutilised as of December 2025, which is expected to support store expansions in the near term. Going forward, the proposed equity infusion of up to Rs. 1,500 crore by the incoming promoter group, through a combination of preferential allotment of equity shares and warrants, is expected to materially strengthen the company's net worth and financial flexibility.

### Credit challenges

**Net losses and low ROCE; ability to ramp-up revenues and improve consolidated earnings remains critical** – While the operating profitability improved in FY2025 for RBAL's Indian operations, key operating metrics such as average daily sales (ADS) were modest owing to subdued consumer demand and inflationary pressures, which limited the scale up of operations. Although ADS and SSSG witnessed some improvement in the current fiscal, supported by incremental demand recovery and better traction at the store level, the same continues to remain moderate. Further, Indonesian entity continued to incur losses

at the operating level due to its inability to scale up operations given the impact of geopolitical issues, customer preference for local brands and relatively low brand awareness of Popeyes in the Indonesian market. ROCE at both standalone and consolidated levels has been low due to under-absorption of fixed costs, as stabilisation of the new stores remains a work-in-progress, given the rapid expansion. Going forward, RBAL's ability to successfully ramp-up the scale of operations and improve the consolidated earnings will be critical from the rating perspective and, hence, will remain a key monitorable.

**Compliance with terms and conditions of MFDA remains critical for ongoing operations** – RBAL holds exclusive rights to develop, establish, operate and franchise Burger King (BK) restaurants in India and Indonesia. As per the terms and conditions of the MFDA, RBAL must open around 60-80 store p.a. over the next few years. The MFDA for the Indonesian Burger King is valid up to December 31, 2050. Apart from this, it is an exclusive franchise for POPEYES® restaurants in Indonesia. The company has met the terms of MFDA with respect to store counts as of CY2025 for its Indian and Indonesian operations. However, Indonesia market continues to remain a challenge, with profitability and scale-up issues. Accordingly, the company has curtailed the pace of store expansion in Indonesia until there is a sustained revival in business performance. The company's ability to comply with the terms of the MFDA remains critical for its ongoing operations as the master franchisor has the option to terminate the development rights in case of any non-compliance of the terms and conditions of the MFDA.

**Intense competition from organised and unorganised players; operations exposed to inherent industry risk of disease outbreaks** – RBAL faces intense competition from unorganised as well as organised QSR players like McDonald's, KFC and Dominos. The company's ability to sustain its growth and improve its profit margin amid the intense competition will remain critical. Also, its sales are exposed to uncontrollable factors like disease outbreaks, such as the Avian Influenza (bird flu), which may impact both supply and consumption of chicken products.

## Environmental and social risks

**Environmental considerations:** The QSR industry is exposed to environmental risk with respect to appropriate usage and disposal of plastics in packaging and waste management, among other factors. Non-compliance with continuously evolving laws and regulations related to environmental protection could result in disruptions in business operations, increased costs, reputational damage, and potential loss of customer goodwill.

**Social considerations:** Being a manpower-intensive segment, shortage of skilled staff and high attrition can impact the operations and services of the company, which can damage its reputation and customer base. The industry is also exposed to significant risks related to health and safety of customers. RBAL conducts in-house training on food and safety, and career enhancement for its employees. The industry is also exposed to significant risks related to the health and safety of customers. While these risks have not resulted in any material implication so far, any breaches in food standards at its outlets could have cost implications for the company.

## Liquidity position: Adequate

The company's liquidity position is adequate with cash and bank balances of Rs. 47.7 crore and investments of Rs. 221.2 crore, as on December 31, 2025. Against these sources of funds, the company has capex plans of Rs. 250-300 crore and repayment obligations (including lease liabilities) of Rs. 108.8 crore in FY2027. The company's aggressive expansion plans would be part-funded by unutilised QIP proceeds, internal accruals and proposed infusion by the incoming promoters in FY2027.

## Rating sensitivities

**Positive factors** – Healthy ramp-up in the company's scale of operations, along with improvement in profitability levels, strengthening the overall credit metrics at a consolidated level, will be key factors for any rating upgrade.

**Negative factors** – Any material decline in revenue growth and weakening of profit margins, or delay in ramp-up in scale and earnings profile of its Indonesian subsidiary, or any material debt-funded capex, which impacts the credit metrics materially at consolidated level and weakens its liquidity profile will be a negative rating trigger.

## Analytical approach

| Analytical approach             | Comments   |
|---------------------------------|--|
| Applicable rating methodologies | <a href="#">Corporate Credit Rating Methodology</a>  |
| Parent/Group support            | Not applicable   |
| Consolidation/Standalone        | The ratings are based on the consolidated financial profile of the company. As on March 31, 2025, RBAL had a subsidiary and a step-down subsidiary, who are enlisted in Annexure II. |

## About the company

Restaurant Brands Asia Limited was incorporated on November 11, 2013, as Burger King India Private Limited. Later in December 2020, it was changed to a public limited company and renamed as Burger King India Limited. On February 02, 2022, the company changed its name from Burger King India Limited to Restaurant Brands Asia Limited.

RBAL is the exclusive national master franchisee of the Burger King brand in India, which is the second-largest fast-food burger brand globally, based on the total number of restaurants. RBAL is one of the fastest growing international QSR brands in India to reach 200 restaurants during the first five years of operations. As on December 31, 2025, RBAL had 577 restaurants, including five sub-franchised restaurants, across India. RBAL came out with an initial public offering (IPO) in December 2020, and the funds raised from the IPO were utilised to repay the debt in the company's books and for future capex. Additionally, RBAL entered the Indonesia market in FY2022 through the acquisition of PT Sari Burger Indonesia, a national franchise operator of the Burger King brand in Indonesia. The company is also an exclusive franchise of Popeyes restaurants in Indonesia.

## Key financial indicators (audited)

| RBAL – Consolidated                                  | FY2024  | FY2025  | 9M FY2026* |
|--|---------|---------|------------|
| Operating income                                     | 2,437.1 | 2,550.7 | 2,115.8    |
| PAT  | -236.7  | -232.8  | -156.7     |
| OPBDIT/OI  | 10.1%   | 10.6%   | 11.0%      |
| PAT/OI   | -9.7%   | -9.1%   | -7.4%      |
| Total outside liabilities/Tangible net worth (times) | 3.3     | 2.9     | 3.8        |
| Total debt/OPBDIT (times)                            | 5.8     | 6.8     | 6.4        |
| Interest coverage (times)                            | 1.7     | 1.7     | 1.7        |

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation \*Unaudited nos.

| RBAL – Standalone                                    | FY2024  | FY2025  | 9M FY2026* |
|--|---------|---------|------------|
| Operating income                                     | 1,760.1 | 1,967.8 | 1,698.3    |
| PAT  | -68.94  | -87.6   | -38.8      |
| OPBDIT/OI  | 13.6%   | 14.8%   | 14.2%      |
| PAT/OI   | -3.9%   | -4.4%   | -2.3%      |
| Total outside liabilities/Tangible net worth (times) | 0.8     | 0.9     | 1.0        |
| Total debt/OPBDIT (times)                            | 4.9     | 5.4     | 5.4        |
| Interest coverage (times)                            | 2.1     | 2.1     | 2.0        |

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; \*Unaudited nos.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

### Rating history for past three years

| Current (FY2026)                        |                 |                          |                              | Chronology of rating history for the past 3 years |                              |              |                              |              |                              |
|---|-----------------|--------------------------|------------------------------|---|------------------------------|--------------|------------------------------|--------------|------------------------------|
|   |                 | FY 2026                  |                              | FY2025  |                              | FY2024       |                              | FY2023       |                              |
| Instrument                              | Type            | Amount rated (Rs. crore) | Mar 31, 2026                 | Date  | Rating                       | Date         | Rating                       | Date         | Rating                       |
| Term loans                              | Long-Term       | 200.00                   | [ICRA]A- (Stable)            | Mar 31, 2025                                      | [ICRA]A- (Stable)            | -            | -                            | -            | -                            |
|   |                 |                          |                              | Apr 15, 2024                                      | [ICRA]A- (Stable)            | -            | -                            | -            | -                            |
| Fund based working facilities           | Long-Term       | 81.20                    | [ICRA]A- (Stable)            | Mar 31, 2025                                      | [ICRA]A- (Stable)            | -            | -                            | -            | -                            |
| Fund based - Interchangeable limits     | Long-Term       | (80.00)                  | [ICRA]A- (Stable)            | Mar 31, 2025                                      | [ICRA]A- (Stable)            | -            | -                            | -            | -                            |
| Non fund based - Interchangeable limits | Short-Term      | (25.00)                  | [ICRA]A2+                    | Mar 31, 2025                                      | [ICRA]A2+                    | -            | -                            | -            | -                            |
| Unallocated Limits                      | Long-Short-Term | 18.80                    | [ICRA]A- (Stable)/ [ICRA]A2+ | Mar 31, 2025                                      | [ICRA]A- (Stable)/ [ICRA]A2+ | Jul 26, 2023 | [ICRA]A- (Stable)/ [ICRA]A2+ | Jul 28, 2022 | [ICRA]A- (Stable)/ [ICRA]A2+ |
|   |                 |                          |                              | Apr 15, 2024                                      | [ICRA]A2+; Withdrawn         | -            | -                            | Aug 04, 2022 | [ICRA]A- (Stable)/ [ICRA]A2+ |

### Complexity level of the rated instruments

| Instrument   | Complexity indicator |
|--|----------------------|
| Long Term – Term loans                               | Simple               |
| Long term - fund based working facilities            | Simple               |
| Long Term - fund based - Interchangeable limits      | Simple               |
| Short Term - non fund based - Interchangeable limits | Simple               |
| Long term/ Short Term - Unallocated Limits           | Not Applicable       |

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

**Annexure I: Instrument details**

| ISIN | Instrument name                                      | Date of issuance | Coupon rate | Maturity | Amount rated (Rs. crore) | Current rating and outlook      |
|------|--|------------------|-------------|----------|--------------------------|---------------------------------|
| NA   | Long Term – Term loans                               | FY2024           | NA          | FY2030   | 200.00                   | [ICRA]A- (Stable)               |
| NA   | Long term - fund based working facilities            | NA               | NA          | NA       | 81.20                    | [ICRA]A- (Stable)               |
| NA   | Long Term - fund based - Interchangeable limits      | NA               | NA          | NA       | (80.00)                  | [ICRA]A- (Stable)               |
| NA   | Short Term - non fund based - Interchangeable limits | NA               | NA          | NA       | (25.00)                  | [ICRA]A2+                       |
| NA   | Long term/ Short Term - Unallocated Limits           | NA               | NA          | NA       | 18.80                    | [ICRA]A- (Stable)/<br>[ICRA]A2+ |

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis**

| Company name   | RBAL ownership | Consolidation approach |
|--|----------------|------------------------|
| PT Sari Burger Indonesia   | 88.80%         | Full consolidation     |
| PT Sari Chicken Indonesia- (Subsidiary of PT Sari Burger Indonesia)* | 88.80%         | Full consolidation     |

Note \*: 100% ownership held by PT Sari Burger Indonesia

## ANALYST CONTACTS

**Jitin Makkar**

0124-4545368

[jitinm@icraindia.com](mailto:jitinm@icraindia.com)

**Srikumar Krishnamurthy**

044-45964318

[ksrikumar@icraindia.com](mailto:ksrikumar@icraindia.com)

**Nithya Debbadi**

+91 40 6939 6416

[nithya.debbadi@icraindia.com](mailto:nithya.debbadi@icraindia.com)

**Roshan Dugar**

+91 20 6606 9924

[roshan.dugar@icraindia.com](mailto:roshan.dugar@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.