



## IPO Report

05<sup>th</sup> July '25

### Snapshot

Company is the leading player in the fast-growing Indian airport travel quick service restaurant (“Travel QSR”) and lounge (“Lounge”) sectors based on revenue in Fiscal 2025, with a market share based on revenue (including Associates and Joint Ventures) of approximately 26% in the Indian airport travel QSR sector and approximately 45% in the Indian airport Lounge sector in Fiscal 2025, according to the CRISIL Report. Company’s Travel QSR business comprises a range of curated food and beverage (“F&B”) concepts across cuisines, brands and formats, which have been adapted to cater to customers’ demands for speed and convenience within travel environments.

### VALUATION

Company is bringing the issue at price band of Rs 1045-1100 per share at p/e multiple of approx. 38x on FY25 basis.

Company is leading player in the Travel QSR and lounge sectors in Indian airports & has strong expertise in operating and handling the distinct challenges of F&B in the operationally complex and highly secure airport environment. Also, company has proven and established track record of long-term working relationships with airport operators with diversified portfolio of partner F&B brands franchised from high-quality brand partners and in-house F&B brands & deep understanding of traveller preferences with a focus on delivering a quality customer experience

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<b>Price Band (Rs./Share)</b>	<b>1045-1100</b>
<b>Opening date of the issue</b>	<b>07<sup>th</sup> July '2025</b>
<b>Closing Date of the issue</b>	<b>09<sup>th</sup> July '2025</b>
<b>No of shares pre issue</b>	13,16,79,484 Eq Shares
<b>Issue Size</b>	Rs 2000 Cr
<b>Offer For Sale</b>	1,81,81,818 Eq Shares
<b>Face Value (Rs/ share)</b>	Rs 1/share
<b>Bid Lot</b>	13

### BIDDING DETAILS

<b>QIBs (Including Anchor)</b>	50% of the offer (Approx 90,72,726 Eq Shares)
<b>Non-Institutional</b>	15% of the offer (Approx 27,21,819 Eq Shares)
<b>Retail</b>	35% of the offer (Approx 63,50,909 Eq Shares)

<b>Employee Reservation</b>	Rs 4 Cr
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<b>Lead managers</b>	Kotak Mahindra Capital, HSBC Securities, ICICI Securities, Batlivala & Karani Securities
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<b>Registrar to the issue</b>	MUFG Intime India Pvt Ltd
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## WHAT WE LIKE

### *Leading player in the Travel QSR and Lounge sectors in Indian airports*

Company was the leading player in the Travel QSR and Lounge sectors in airports in India based on its revenue in Fiscal 2025. Company operated the largest network of Travel QSRs in India, as of March 31, 2025, with 384 of company’s 413 operational outlets being situated in airports, and the remaining in highway sites. Company had a market share of approximately 26% based on revenue (including Associates and Joint Ventures) in the travel QSR sector in Indian airports in Fiscal 2025.

### *Strong expertise in operating and handling the distinct challenges of F&B in the operationally complex and highly secure airport environment*

Since the opening of company’s first Travel QSR outlet in 2009, company have cultivated a deep set of capabilities and processes that enable it to efficiently execute in and address the various operational challenges posed by the operationally complex and highly secure airport environment. These capabilities have been developed and honed through company’s 16 years of experience in the travel industry and enhance its value proposition for airport operators and the competitiveness of company’s bids for airport concessions.

### *Proven and established track record of long-term working relationships with airport operators*

Company have long-term working relationships with many airport operators which support the growth of its Travel QSR and Lounge businesses. As of March 31, 2025, company was present in the Delhi airport for 15 years, the Mumbai airport for 16 years, the Bengaluru airport for 6 years, and the Chennai and Kolkata airports for 11 years. Company have been present in Delhi Terminal 3 and Mumbai Terminal 2 since their inauguration in 2010 and 2014, respectively. In addition, company have been the sole F&B concessionaire and Lounge operator in the Chennai Airport and Kolkata Airports operated by AAI since 2014.



## COMPANY BACKGROUND

Company utilise its F&B brand portfolio, comprising 127 partner and in-house brands, in the operation of 442 Travel QSRs across India and Malaysia as of March 31, 2025. Company's Travel QSRs are predominantly situated within airports, with select outlets in highway sites. Company's Lounge business comprises designated areas within airport terminals, accessible primarily by first and business class passengers, members of airline loyalty programmes, select credit card and debit card holders and members of other loyalty programmes. Company had 37 Lounges across India, Malaysia and Hong Kong as of March 31, 2025.

Through company's Travel QSR and Lounge businesses, company is present in 14 airports in India, three airports in Malaysia and one airport in Hong Kong as of March 31, 2025. According to the CRISIL Report, of the 14 airports in India in which company operate, 13 of them were amongst the 15 largest airports in the country by passenger traffic in Fiscal 2025, based on air passenger traffic. According to the CRISIL Report, these 14 airports served 74% of the total air passenger traffic in India in Fiscal 2025. According to the CRISIL Report, such airports include the Delhi airport, Mumbai airport, Bengaluru airport, Hyderabad airport, Kolkata airport, and Chennai airport.

According to the CRISIL Report, company operated the largest network of Travel QSRs outlets and airport Travel QSR outlets in India as of March 31, 2025, with 384 of its 413 operational outlets being situated in airports, and the remaining in highway sites. According to the CRISIL Report, company also operated the largest network of private airport Lounges in India as of March 31, 2025, comprising 28 Lounges across 10 airports.

Since the opening of company's first Travel QSR outlet in 2009, company have built capabilities and processes to effectively execute in, and address the distinct challenges posed by the operationally complex and highly secure airport environment, such as security clearances, stringent rules and restrictions, 24/7 operations, multi-brand and multiunit concessions, alongside various supply chain and infrastructure constraints. From 2009 until March 31, 2025, company have maintained a contract retention rate (*i.e.* the number of airport concession agreements which expired and were either renewed or won back as a percentage of the total number of airport concession agreements which expired) of 93.94%.

Company's operational capability, presence across major airports in India and our F&B brand portfolio position it well to benefit from the continuing growth in air travel and travel related expenditure in India. According to the CRISIL Report, the Indian aviation sector experienced a CAGR of 9.1% and 4.2% in terms of domestic and international passengers between Fiscal 2015 and Fiscal 2025. According to the CRISIL Report, similarly, the Travel QSR sector in Indian airports has demonstrated healthy growth with the sector growing by a CAGR of approximately 16% between Fiscal 2019 and Fiscal 2025, driven by increased air passenger traffic and the evolving airport Travel QSR landscape in which airports house global, regional and local brands and standalone Travel QSRs to cater to different demand preferences of the consumers' for different cuisines, as well as experiences. According to the CRISIL Report, the Indian Lounge industry also grew at a CAGR of approximately 24% between Fiscal 2019 and Fiscal 2025, driven by an expansion of airport infrastructure, an increase in the number of credit and debit cards and an increase in the uptake of frequent flyer and loyalty programmes of airlines, among other factors.

Company benefits from the combined experience of company's Promoters, (i) SSP Group plc ("**SSP**"), SSP Group Holdings Limited, SSP Financing Limited and SSP Asia Pacific Holdings Limited, and (ii) Kapur Family Trust, Varun Kapur and Karan Kapur. SSP is a FTSE 250 company listed on the London Stock Exchange. According to the CRISIL Report, it is one of the leading operators based on revenue in the Travel F&B sector (otherwise referred to herein as the Travel QSR sector) globally, based on revenue in 2024. According to the CRISIL Report, SSP had a network of over 3,000 F&B and Lounge outlets in 38 countries as of March 31, 2025, with outlets spread over 600 locations on six continents as of May 31, 2025. According to the CRISIL Report, SSP's brand portfolio comprised approximately 550 brands and bespoke concepts, as of May 31, 2025. Company have tailored SSP's corporate governance standards to its business and draw on SSP's relationships with F&B brands in expanding company's brand portfolio.

K Hospitality is the flagship hospitality brand under which the Kapur Family Trust operates, owns or invests in various hospitality and food services companies, including the Company (collectively, "**K Hospitality**"). K Hospitality has a presence in 35 cities in India and internationally, as of March 31, 2025. It operates, owns or invests in QSRs, restaurants, bars, cafes, food courts, banqueting, outdoor catering and corporate food services under popular brands and business verticals such as Copper Chimney, Blue Sea Catering and Banquets and LifeCo Services. Through its over 50 years of experience in the Indian F&B industry, K Hospitality has developed culinary and operational know-how, an understanding of Indian consumers and industry knowledge that company is able to draw on. Company benefit from K Hospitality's market reputation and bargaining leverage in the procurement of raw materials from K Hospitality's network of suppliers.



## INVESTMENT RATIONALE

<p><i>Diversified portfolio of partner F&amp;B brands franchised from high-quality brand partners and inhouse F&amp;B brands</i></p>	<p>Within its Travel QSR business, company represent and operate a wide range of popular international, regional Indian and in-house F&amp;B brands. Company had 90 F&amp;B brands licensed from international and regional Indian brand partners, in addition to 37 in-house brands, as of March 31, 2025. This includes international brands such as KFC, Pizza Hut, Wagamama, The Coffee Bean &amp; Tea Leaf, Subway and Krispy Kreme, regional Indian brands such as Bikanervala and Third Wave Coffee, and in-house brands such as Caf��ccino, Curry Kitchen, Idli.com and Dilli Streat. Through company's in-house brands, company customise its menu options to offer its customers additional options that appeal to local and international palates, while taking into account the requirements of airport operators. For example, company's Samba Square brand provides travellers passing through the Mopa Airport in Goa with the opportunity to experience dishes originating from Goa.</p>
<p><i>Experienced management team, supported by company's synergistic partnerships with SSP and K Hospitality</i></p>	<p>Company have a seasoned management team with an average of over 24 years of experience, as of March 31, 2025. Company's experienced and professional management team comes from diverse backgrounds and has execution track records across various industries, such as hospitality, fast-moving consumer goods, telecommunications, IT, infrastructure, retail, and durables</p>
<p><i>Deep understanding of traveller preferences with a focus on delivering a quality customer experience</i></p>	<p>Company have introduced a number of innovative solutions within company's Travel QSR and Lounge businesses that seek to address travellers' demands for speed and convenience, while also elevating the overall travel experience for its customers and maintaining operational efficiencies.</p> <p>Company's technological innovations have been part of company's approach in addressing various pain points faced by travellers and enhancing company's operational efficiency. Within select Travel QSRs located in airports, company have introduced selfordering kiosks, online order and in-airport delivery options and contactless payment systems to accelerate customer servicing time and make ordering more convenient at select locations. Company installed grab-and-go fridges to provide travellers with quick pickup options at select outlets. Company introduced its "Food@Gate"<sup>TM</sup> service at various airports, an in-airport F&amp;B order and delivery service whereby travellers are able to order F&amp;B via its kiosks or through mobile scanning of QR codes and have their orders delivered directly at the boarding gate. Company utilise third-party and internal technologies, such as digitised checklists, to oversee its multi-brand operations across India. Utilizing its local expertise across customer demographics, company engage in various product innovations. Company optimise its menus, including simplifying its menu designs and adding more imagery, showcasing key products through food displays and providing combination offerings to facilitate faster order taking. Company adjust its sales mix and pricing to suit the customer demographic within each airport. For example, company integrated liquor into existing F&amp;B brands in the Bengaluru Airport to drive higher spend. Company also offer region-specific product innovations such as a live sweet counter in Kolkata, and a local Benne style dosa in Bengaluru. Company have designed convenient takeaway packaging options for those who wish to carry items onto the flight. For example, company developed custom packaging, such as the dosa pocket where the dosa is folded and packaged like a crepe for ease of consumption during transit. In addition, within certain of company's Lounges, company introduced a-la-carte menu options curated by its chefs, spa services, live music, cocktail specialists, and interactive sports and entertainment zones, such as golf simulators, to enhance the customer experience.</p>



## OBJECTS OF OFFER

The objects of the Offer are to (i) to carry out the Offer for Sale of up to ₹20,000.00 million by the Promoter Selling Shareholder; and achieve the benefits of listing the Equity Shares on the Stock Exchanges.

## RISKS

Revenue from company's Travel QSRs and Lounges situated in airports contributed 95.55%, 95.88% and 95.77% of company's revenue from operations for Fiscals 2025, 2024 and 2023, respectively. Company is highly dependent on its concession agreements for company's business operations and inability to renew existing concession agreements or any adverse changes in the terms therein, early termination, or any inability to obtain new concessions could adversely affect its business and results of operations.

Source:RHP

## INDUSTRY OVERVIEW

### Overview of airport infrastructure and airline fleet size in India

Privatisation and greenfield airports to propel airport capex to INR 600-650 billion in the next five years Airport infrastructure in India has seen increased focus in recent years, as indicated by the capital expenditure for greenfield and brownfield projects. The expansion of airports, including the upgradation of infrastructure / facilities at airports, is a continuous process, which is undertaken by the AAI or the airport operators concerned, depending on the operational requirements, traffic, demand and commercial feasibility. In the past few years, capex on airport infrastructure was supported by the government policies, with the development of greenfield and brownfield airports by the government of India. The government has also formulated a Greenfield Airports (GFA) Policy, 2008, for the development of greenfield airports in the country.

Under this policy, the government of India has accorded an approval for setting up of 21 new greenfield airports. Of these, 12 greenfield airports have been put into operation. Crisil Intelligence expects investments of INR 600-650 billion in airport infrastructure between FY25 and FY29, compared with INR 790 billion between FY20 and FY24. The projected investments are almost evenly split between greenfield projects, such as the Jewar airport, Navi Mumbai airport and Bhogapuram airport, as well as brownfield expansions in Bengaluru, Hyderabad, Guwahati and Chennai.

Number of airports almost doubled in the past eight years; 30-50 new airports expected to come up by FY29

As of September 2024, India had 138 operational airports compared with 102 airports in FY19 and 77 airports in FY16. This expansion has enhanced connectivity across the country, making air travel more accessible to a larger population. Improved infrastructure and increased regional connectivity have facilitated easier and more efficient travel, leading to a rise in domestic passenger volumes. This addition is expected to come in the form of newer airports in tier-2 and tier-3 cities. In addition, establishment of new airports in metro cities is anticipated to contribute to the overall increase in new developments.


**Consolidated Financials**

(Rs in Mn)

Financials	FY23	FY24	FY25
Total Revenue (A)	10671.50	13963.22	16877.39
Total Expenditure (B)	6932.92	9841.95	11336.36
EBIDTA	3738.58	4121.27	5541.03
EBIDTA Margin	35.03	29.52	32.83
Other Income	364.32	660.73	749.70
Depreciation	831.08	1108.34	1262.97
EBIT	3271.82	3673.66	5027.76
Interest	478.06	516.91	457.14
PBT	2793.76	3156.75	4570.62
Share of profit in Asso	477.64	717.93	472.73
PBIT	3271.40	3874.68	5043.35
Exceptional	0.00	0.00	0.00
PBT	3271.40	3874.68	5043.35
Tax	758.41	893.48	1246.76
PAT	2512.99	2981.20	3796.59
NPM	23.55	21.35	22.50
ROE%	37.45	33.12	34.64
EPS	18.52	21.85	27.58
Eq Cap	38.73	38.73	131.68
Net Worth	6650.25	8879.26	10702.38

(Source: RHP)

**Peer Comparison**

Company Name	Face Value	EPS	P/E	ROE %	NAV
<i>Company</i>	<i>1.00</i>	<i>27.58</i>	<i>--</i>	<i>34.64</i>	<i>79.62</i>
<b>Peers</b>					
Jubilant FoodWorks Limited	2.00	3.41	205.81	10.02	31.87
Devyani International Limited	1.00	0.08	2097.13	0.84	9.07
Sapphire Foods India Limited	2.00	0.60	548.00	1.38	43.53
Westlife Foodworld Limited	2.00	0.78	955.26	2.01	38.70
Restaurant Brands Asia Limited	10.00	-4.33	--	-23.80	15.61

(Source: RHP)





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