

Ratings Monitor

One Report – to monitor stocks and identify triggers to re-evaluate ratings

Restaurant Brands Asia (RBA)

Current Market Price	Potential Returns	Fair Value (FV)
Rs.106	8.5%	Rs.115

Date: 3rd June, 2022

Previous Rating: Reduce

Current Rating: ADD

Change: Upgrade

Ratings Rationale

- RBA stock is largely pricing in key concerns after 35-40% fall in past 6-7 months.
- Risk-reward is favorable even assuming minor execution slippages.
- BK India network will expand to 390/470 stores, implying 75/80 net store additions in FY23/24.
- Management expects significant synergies from the acquisition of BK Indonesia in both capex and opex.

Valuation

We value RBA using Sum of the Parts (SoTP) based fair value of Rs 115.

Read Full Report

Note: The performance horizon is 12 months unless specified.

This is a synopsis of the Research report issued by Kotak Securities Limited. This is not a comprehensive report and before taking any investment decision we request you to refer the detailed report including disclaimers by clicking here: <https://www.kotaksecurities.com/swebResearchCall/Fundamental>. Further, the recipient of this material should take their own professional advice before investing. Disclaimer: <http://bit.ly/2n5AxIE>