

**Barbeque-Nation Hospitality Ltd.**
**Sector Restaurants**
**Issue Highlights**

<b>Issue Open</b>	March 24, 2021
<b>Issue Close</b>	March 26, 2021
<b>Issue Price</b>	Rs. 498 - Rs. 500 /Share
<b>Total Issue Size</b>	Rs. 453 Cr
Of which	
<b>Offer for Sale</b>	Rs. 273 Cr
<b>Fresh Issue</b>	Rs. 180 Cr
<b>Face Value</b>	Rs. 5/share
<b>Market Lot</b>	30 Equity Shares
<b>Issue Type</b>	Book Built Issue

**Offer Structure**

<b>QIB Category</b>	75%
<b>Retail category</b>	10%
<b>Non-Institutional</b>	15%

**Lead Book Running Managers**

- IIFL Securities Ltd.
- Axis Capital Ltd.
- Ambit Capital Private Ltd.
- SBI Capital Markets Ltd.

**Registrar To The Offer**

- Link Intime India Private Ltd.

**About the Company**

Barbeque-Nation Hospitality Ltd owns and operates Barbeque Nation Restaurants in India and international markets. It is one of India's leading casual dining restaurant chains. It also owns and operates Toscano Restaurants and UBQ by Barbeque Nation Restaurant. It has steadily grown its network from a single restaurant in 2008 to 147 Barbeque Nation Restaurants (including opened, temporarily closed and under construction outlets) across 77 cities in India. Also, it has a presence in three countries outside India, with six International Barbeque Nation Restaurants as of December 31, 2020. In November 2018, it launched UBQ by Barbeque Nation Restaurant to provide a la carte Indian cuisine in the value segment. At present, UBQ predominantly caters to the delivery segment. It owns 61.4% of Red Apple, which owns and operates nine restaurants under the brand name, "Toscano", a casual dining Italian restaurant chain and operates one restaurant each under the brand names "La Terrace" and "Collage" respectively. Through its Barbeque Nation Restaurants, it has pioneered the format of the 'over the table barbeque' concept in Indian restaurants.

**Objects of the Issue**

- Capital expenditure for expansion and opening of new restaurants by the company
- Prepayment or repayment of all or a portion of certain outstanding borrowings availed by the company
- General corporate purposes

**Valuation**

The casual dining restaurant (CDR) segment enjoys the second-largest share in the chain food services market. In FY20, the size of the CDR segment is estimated at INR 134 billion. It is expected to grow at a CAGR of 18% to reach Rs. 302 billion by FY25. This would be led by increasing middle and upper-middle-class population, increased incidence of eating out, rapid urbanization, and increase focus on value for money.

Barbeque Nation is one of the leading and fastest-growing restaurant brands in the CDR market. The company has steadily grown from 1 restaurant in 2008 to 147 restaurants. The consistent rise in its in-dining covers, the average per covers (APC) and high revenue share from lunch and weekday sales are some of its key strengths. Further, the company's constant focus on innovation and strong business processes are added positives. Going forward, it plans to increase its same-store sales growth through new innovative dishes, increase delivery business, and publicise its customers' the different food types available during various food festivals. It intends to increase penetration in existing cities, which would enable them to access new catchment areas within these cities and optimise their infrastructure usage. It plans to continue pursuing brand diversification to capture additional market segments, take advantage of a wider range of market opportunities and ultimately increase its overall market share by enlarging its customer base. On the financial front, while the revenues have grown at a 20% CAGR over FY18-20, the company reported a loss in FY20.

**Key risks:** i) Rise in COVID-19 cases could adversely impact restaurant business, ii) Competitive intensity is high.

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S. No.	Statement	Answer	
		Yes	No
		Tick appropriate	
		Yes	No
	I/we or any of my/our relative has any financial interest in the subject company? [If answer is yes, nature of Interest is given below this table]		No
	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance?		No
	I / we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance?		No
	I/we have received any compensation from the subject company in the past twelve months?		No
	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
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	I/we have served as an officer, director or employee of the subject company?		No
	I/we have been engaged in market making activity for the subject company?		No

Nature of Interest ( if answer to F (a) above is Yes :

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Name(s) with Signature(s) of RA(s).

[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) above, are given below]

SS.No.	Name(s) of RA.	Signatures of RA	Serial Question of question which the signing RA needs to make a separate declaration / answer	Yes	No.

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