

IPO Note

TRAVEL FOOD SERVICES LIMITED

JUL 07, 2025





Jul 07, 2025

Details of the Issue

Price Band	₹ 1045 - ₹ 1100
Issue Size	₹ 2,000 Cr
Face Value	₹ 1
Bid Lot	61
Listing on	BSE, NSE
Post Issue Mcap	₹ 14,476 Cr
Investment Range	₹ 13,585 - ₹ 14,300

Important Indicative Dates (2025)

Opening	07 - Jul
Closing	09 - Jul
Basis of Allotment	10 - Jul
Refund Initiation	11 - Jul
Credit to Demat	11 - Jul
Listing Date	14 - Jul

Lead Manager

Kotak Mahindra Capital Company Ltd
HSBC Securities and Capital Market (India) Pvt Ltd
ICICI Securities Ltd
Batlivala & Karani Securities India Pvt Ltd

Offer Details

Offer Size	₹ 2,000 Cr
Fresh Issue	₹ 2,000 Cr
OFS	-

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	1000	9.09	9.56	50
NII	300	2.72	2.87	15
Retail	700	6.36	6.70	35
Em- ploy.	-	-	-	-
Total	2000	18.18	19.14	100

[Invest Now](#)[Company Profile](#)

Travel Food Services Limited is an Indian operator of quick service restaurants (QSRs) and airport lounges, catering specifically to travelers. As of June 30, 2024, the company operates 397 Travel QSR outlets across 14 airports in India and 3 in Malaysia, offering a diverse portfolio of 117 partner and in-house F&B brands.

Its QSR segment delivers curated multi-cuisine concepts tailored for speed and convenience in transit environments. The lounge segment provides premium airport spaces for first and business-class flyers, loyalty program members, and select cardholders. Travel Food Services has maintained a long-standing presence at key Indian airports, including 15 years at Mumbai, 14 years at Delhi, 11 years at Chennai, and 5 years at Bengaluru.

[GEPL's Insights & Investment Thesis:](#)

- Travel Foods Services is one of the leading player in travel QSR and lounge services with diversified portfolio of 117 partner and in-house food & beverages brands. The company has 384 airport QSR outlets and 28 lounges across major airports.
- The company's strong and diverse F&B brand portfolio enhances its competitive edge in securing multi-unit airport concessions. Its ability to cater to airport-specific F&B preferences, backed by proven brand partnerships and tailored in-house offerings has driven wins at key airports.
- Based on the FY25 annualized earnings relative to the company's post-IPO paid-up capital, the issue is priced at a P/E ratio of 39.9x. We believe that the company is fairly valued compared to its peers and healthy has PAT/Revenue/EBITDA of 41%/26% /30% CAGR from FY22 to FY24. Therefore, we recommend a "Subscribe" rating for the issue.

[Business Highlights & Services](#)

Travel foods Services Ltd is the market leader in Travel QSR and Lounge segments in Indian airports, with the highest revenue and largest network as of FY25—384 airport QSR outlets and 28 lounges across 14 major airports handling 89% of India's top 20 airport traffic. It holds a 26% revenue share in Travel QSRs and 45% in Lounges, including associates and JVs. A strong 93.94% contract retention rate and long-term average concession tenures of 8.2 years reflect deep operator trust and operational excellence. Strategic wins like the 10-year Noida Airport contract and proven ability to scale operations enhance its competitive edge, positioning it well for sustained growth and margin expansion in the high-traffic, underpenetrated airport F&B market.

With 16 years of airport F&B experience since launching its first outlet in 2009, the company has developed deep operational expertise tailored to high-security, high-complexity airport environments. This includes regulatory compliance, 24/7 operations, and centralized kitchens that support multi-brand, multi-cuisine efficiency across terminals. Long-standing relationships with key airports—like Delhi (15 yrs), Mumbai (16 yrs), and Chennai/Kolkata (11 yrs)—and strategic partnerships with major operators (GMR, Adani, Collinson Group) have ensured access to prime locations and long-term concessions averaging 8.2 years. The company holds 70 airport concessions across India, Malaysia, and Hong Kong, leveraging JVs like Semolina and STHL to scale presence and win marquee projects like Noida, Lucknow, Mopa, and Hyderabad. These capabilities and alliances reinforce its competitive moat, scalability, and visibility for sustained growth.



The company's strong and diverse F&B brand portfolio—comprising 90 licensed international and regional Indian brands and 37 in-house concepts—enhances its competitive edge in securing multi-unit airport concessions. Its ability to cater to airport-specific F&B preferences, backed by proven brand partnerships (e.g., KFC, Pizza Hut, Subway, Bikanervala) and tailored in-house offerings (e.g., Samba Square, Dilli Streat), has driven wins at key airports like Bengaluru and Noida. Its status as a preferred entry partner for global brands into Indian travel retail underscores its operational credibility. Technological innovations like self-order kiosks, Food@Gate™ delivery, grab-and-go fridges, and contactless payments, along with localized menu engineering and packaging solutions, further elevate customer experience and throughput. The company's integrated model combining brand diversity, local customization, and tech-driven efficiency positions it for scalable, profitable growth in India's expanding airport F&B ecosystem.

India's underpenetrated air travel market (0.27 trips per capita vs. China's 0.81) presents significant runway for growth in airport F&B. The company aims to capture this through a multi-pronged expansion strategy: high 93.94% contract retention, deeper penetration in existing airports (e.g., Bengaluru T2), and entry into new airports with rising passenger volumes. International Lounge expansion is underway with 9 overseas Lounges, including Malaysia and Hong Kong, tapping into a global Lounge market projected to reach US\$15-16 billion by 2034. Additionally, the company is entering the fast-growing highway Travel QSR market—set to grow 4-5x by FY34—through multi-brand food courts and traveler-centric amenities. With a strong domestic base and global ambitions, the company is well-positioned to benefit from long-term sector tailwinds.

The company is well-positioned to capitalize on India's long-term air travel growth, driven by rising middle-class demand, LCC expansion, and government push. It focuses on driving like-for-like (LFL) growth by leveraging deep customer insights, optimizing menus, reducing SKUs, adopting digital ordering and Food@Gate™ delivery, and enhancing layout and space utilization. Operational efficiency is a core strength—enabled by centralized supply chain, category-level margin tracking, modular outlet design, cross-trained staff, waste reduction, and automated food production. With disciplined capital allocation via SSP-aligned governance, fixed-rate contracts, vendor audits, and reverse auctions, the company ensures cost control and scalability. This robust execution framework supports sustained margin expansion and scalable, profitable growth in a structurally expanding travel F&B market.

No. of Travel QSR and Lounge Outlets

Particular	FY25	FY24	FY23
No. of Travel QSR Outlet	442	369	282
India	413	340	266
Malaysia	29	29	16
No. of Lounge Outlets	37	30	25
India	28	24	21
Malaysia	8	6	4
Hong Kong	1	0	0

Segment Wise – Revenue Mix

Revenue from Contracts (In Cr)	FY25		FY24		FY23	
	Amount	%	Amount	%	Amount	%
Travel QSR	872	52%	733	53%	539	51%
Lounge services	758	45%	623	45%	492	46%
Management and other services	57	3%	39	3%	35	3%
Total Sales from Operation	1,687	100%	1,395	100%	1,066	100%



Travel QSR Revenue Split – Brand Wise

Particular (In Cr)	FY25		FY24		FY23	
	Amount	%	Amount	%	Amount	%
Partner brands	474	54%	399	54%	291	54%
In-house brands	398	46%	334	46%	248	46%
Total Sales from Travel QSR	872	100%	733	100%	539	100%

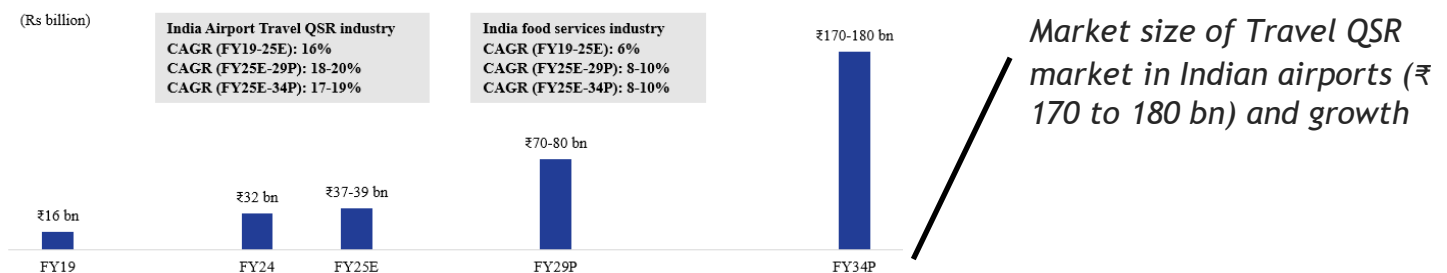
List of Partner Brand and In-House Brands

Partner Brand		In-House Brands
International Brand	Regional Brand	
KFC	Third Wave Coffee	Caféccino
Pizza Hut	Hatti Kaapi	Dilli Streat
Wagamama	Sangeetha	idli.com
Coffee Bean & Tea Leaf	Bikanervala	Curry Kitchen
Jamie Oliver's Pizzeria	Wow Momo	
Brioche Doree	The Irish House	
Subway	JOSHH	
Krispy Kreme	Adyar Ananda Bhavan	
	Bombay Brasserie	

Geographical Footprint

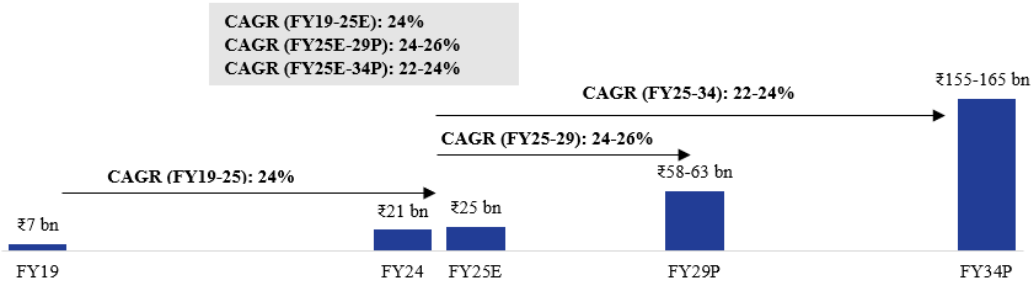


Industry Overview





(INR billion)



Peers Comparison

Name of the company	Face Value (₹)	Revenue (INR in Cr)	EPS	NAV (₹)	P/E
Sapphire Foods India Ltd	1	1,688	27.58	79.62	NA
Peers Group					
Jubilant Foodworks Ltd	2	8,142	3.41	31.87	206
Devyani International Ltd	1	4,951	0.08	9.07	2,097
Sapphire Foods India Ltd	2	2,882	0.60	43.53	548
Westlife Foodworld Ltd	2	2,474	0.78	38.7	955

Companies Competitive Strength

- Leading player in the Travel QSR and Lounge sectors in Indian airports.
- Strong expertise in operating and handling the distinct challenges of F&B in the operationally complex and highly secure airport environment.
- Proven and established track record of long-term working relationships with airport operators.
- Diversified portfolio of partner F&B brands franchised from high-quality brand partners and in-house F&B brands.
- Deep understanding of traveler preferences with a focus on delivering a quality customer experience.
- Experienced management team, supported by the synergistic partnerships with SSP and K Hospitality.

Key Strategies Implemented by Company

- Optimise the product offerings and service to grow like-for-like (LFL) sales.
- Grow new space in existing markets and build strategic presence in new markets.
- Deliver operating synergies and leverage scale benefits.
- Optimise capital expenditure through best practices.

Particular (INR in Cr)	FY25	FY24	FY23
Equity Capital	13	4	4
Reserves and Surplus	1,035	865	647
Net Worth	1,048	869	651
Revenue	1,688	1,396	1,067
Growth (%)	21%	31%	
EBITDA	591	412	350
EBITDAM (%)	35.0%	29.5%	32.8%
PAT	380	298	251
ROCE (%)	51.4%	46.1%	53.9%
ROE (%)	35.5%	33.6%	37.8%



Notes

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