

Travel Food Services Limited

IPO Note



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Leading the travel QSR & Lounge sector of India

Travel Food Services Limited (TFS), established in 2009, operates in 14 major airports across India, with 13 being among the largest by passenger traffic, and has a presence in 4 international airports. It manages a portfolio of 442 travel quick-service restaurants (QSRs) and 37 lounges. TFS maintains a 94% contract retention rate and employs over 5,522 individuals. It serves customers across various segments, including airline tie-ups, loyalty programs, and collaborations with banks. It is the largest travel QSR & Lounge sector player in India.

TFS operates a balanced mix of in-house, regional, and international QSRs, with 37 in-house brands, 32 international brands, and 58 regional brands. The split in revenue generation between lounges and QSRs is 52% and 48%, respectively.

TFS's primary operational costs include manpower and food, which are significant components of its expense structure. These costs play a key role in maintaining the company's service delivery across its operations.

In terms of financial performance, TFS's revenue increased by 20.9% from FY24 to FY25, reaching ₹1,762.71 crore. EBITDA saw a growth of 34% during the same period, rising from ₹549.99 crore in FY24 to ₹676.35 crore in FY25. PAT also grew by 27.3%, increasing from ₹298.12 crore in FY24 to ₹379.66 crore in FY25. TFS operates with zero debt.

TFS is expanding into international markets, including Malaysia, Hong Kong, the Asia-Pacific region, and the Middle East, leveraging its relationship with SSP Group, a UK-based entity. TFS is also expanding opportunities in expressway travel QSRs.

Industry	Chemicals/ Industrial Gases
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Scrip Details

Listing	BSE & NSE
Open Date	July 07, 2025
Close Date	July 09, 2025
Price Band	INR 1045-1100
Face Value	INR 1.0
Market Lot	13 Shares
Minimum Lot	1

Issue Structure

Issue Size (INR cr)	INR 2,000
Issue Size (Shares)	1,81,81,818
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 35%
Pre Issue sh. (cr)	13.1
Post Issue sh. (cr)	13.1
Post Issue Market Cap (INR cr)	INR 14,410

Shareholding (%)	Pre (%)	Post (%)
Promoter	100	86.1
Public	0	13.9
TOTAL	100	100

Key Consolidated Financial Data (INR Cr, unless specified)

	Revenue (INR)	EBITDA (INR)	PAT (INR)	EBITDA (%)	PAT Margin (%)	EPS (INR)	ROE(%)	ROCE(%)	P/E (X)
FY23	1067.2	373.9	203.5	35.0	19.1	18.6	37.2	30.9	59.1
FY24	1396.3	412.1	226.3	29.5	16.2	22.0	32.9	23.0	50.1
FY25	1687.7	554.1	332.4	32.8	19.7	27.7	34.5	29.5	39.7

Source: Ventura Research & Company update

Issue Structure and Offer Details

Travel Food Services IPO is a bookbuilding of ₹2,000.00 crores. The issue is entirely an offer for sale of 1.82 crore shares.

Issue Structure	
Investor Category	Allocation
QIB	Not more than 50.00% of the Offer
NII (HNI)	Not less than 15.00% of the Offer
Retail	Not less than 35.00% of the Offer

Number of shares based on a higher price band of INR 1100

Source: Company Reports

Objects of the Issue

The issue is entirely an offer for sale.

Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25	Fig in INR Cr (unless specified)	FY23	FY24	FY25
Income Statement				Per share data & Yields			
Revenue	1,067.2	1,396.3	1,687.7	Adjusted EPS (INR)	18.6	22.0	27.7
YoY Growth (%)	173.9	30.8	20.9	Adjusted Cash EPS (INR)	25.0	30.4	37.4
Raw Material Cost	210.2	284.7	296.3	Adjusted BVPS (INR)	50.8	67.8	81.7
RM Cost to Sales (%)	19.7	20.4	17.6	Adjusted CFO per share (INR)	24.6	26.9	39.3
Employee Cost	159.4	229.9	276.5	CFO Yield (%)	2.2	2.4	3.6
Employee Cost to Sales (%)	14.9	16.5	16.4	Adjusted FCF per share (INR)	24.4	23.9	37.2
Other Expenses	323.7	469.6	560.8	FCF Yield (%)	2.2	2.2	3.4
Other Exp to Sales (%)	30.3	33.6	33.2	Solvency Ratio (X)			
EBITDA	373.9	412.1	554.1	Total Debt to Equity	0.0	0.1	0.0
Margin (%)	35.0	29.5	32.8	Net Debt to Equity	(0.6)	(0.6)	(0.6)
YoY Growth (%)	347.5	10.2	34.4	Net Debt to EBITDA	(1.1)	(1.2)	(1.1)
Depreciation & Amortization	83.1	110.8	126.3	Return Ratios (%)			
EBIT	290.8	301.3	427.8	Return on Equity	37.2	32.9	34.5
Margin (%)	27.2	21.6	25.3	Return on Capital Employed	30.9	23.0	29.5
YoY Growth (%)	6,115.3	3.6	42.0	Return on Invested Capital	128.3	78.6	100.3
Other Income	36.4	66.1	75.0	Working Capital Ratios			
Bill discounting & other charges	47.8	51.7	45.7	Payable Days (Nos)	61	72	73
Fin Charges Coverage (X)	6.1	5.8	9.4	Inventory Days (Nos)	4	3	2
Exceptional Item	0.0	0.0	0.0	Receivable Days (Nos)	39	27	23
PBT	279.4	315.7	457.1	Net Working Capital Days (Nos)	(18)	(41)	(48)
Margin (%)	26.2	22.6	27.1	Net Working Capital to Sales (%)	(5.1)	(11.3)	(13.3)
YoY Growth (%)	2,250.3	13.0	44.8	Valuation (X)			
Tax Expense	75.8	89.3	124.7	P/E	59.1	50.1	39.7
Tax Rate (%)	27.1	28.3	27.3	P/BV	21.7	16.2	13.5
PAT	203.5	226.3	332.4	EV/EBITDA	37.4	33.8	24.9
Margin (%)	19.1	16.2	19.7	EV/Sales	13.1	10.0	8.2
YoY Growth (%)	58,387.1	11.2	46.9	Cash Flow Statement			
Min Int/Sh of Assoc	40.3	61.5	30.8	PBT	279.4	315.7	457.1
Net Profit	243.8	287.8	363.2	Adjustments	122.4	22.5	116.4
Margin (%)	22.8	20.6	21.5	Change in Working Capital	(3.8)	104.1	66.0
YoY Growth (%)	4,713.9	18.0	26.2	Less: Tax Paid	(75.8)	(89.3)	(124.7)
Balance Sheet				Cash Flow from Operations	322.1	352.9	514.8
Share Capital	3.9	3.9	13.2	Net Capital Expenditure	(37.2)	(77.1)	(60.8)
Total Reserves	661.2	884.1	1,057.1	Change in Investments	(159.6)	(77.8)	(130.4)
Shareholders Fund	665.0	887.9	1,070.2	Cash Flow from Investing	(196.8)	(154.9)	(191.2)
Long Term Borrowings	22.0	58.2	0.0	Change in Borrowings	(52.4)	(44.8)	(99.0)
Deferred Tax Assets / Liabilities	(51.6)	(55.7)	(56.3)	Less: Finance Cost	(47.8)	(51.7)	(45.7)
Other Long Term Liabilities	295.9	276.6	223.8	Proceeds from Equity	0.0	0.0	0.0
Long Term Trade Payables	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Long Term Provisions	5.9	7.1	6.8	Dividend Paid	(4.2)	(75.7)	(198.0)
Total Liabilities	937.2	1,174.2	1,244.6	Cash flow from Financing	(104.4)	(172.1)	(342.7)
Net Block	352.6	387.0	371.9	Net Cash Flow	21.0	25.9	(19.1)
Capital Work in Progress	6.5	22.8	38.6	Forex Effect	0.0	0.0	0.0
Intangible assets under development	0.0	0.0	0.0	Opening Balance of Cash	21.2	42.2	68.1
Non Current Investments	138.1	218.1	279.1	Closing Balance of Cash	42.2	68.1	49.0
Long Term Loans & Advances	137.7	225.1	188.5				
Other Non Current Assets	18.1	42.6	19.7				
Net Current Assets	284.3	278.7	346.7				
Total Assets	937.2	1,174.2	1,244.6				

Source: Company Reports

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