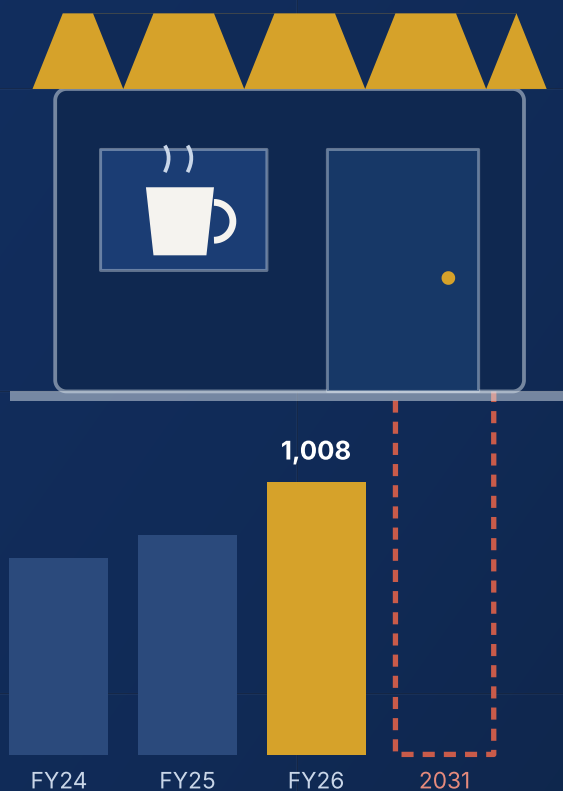


## CONSUMER · QSR &amp; BEVERAGES

# EverBrands India Ltd

**Growth is on the menu.  
Returns are still cooking.**

Subway's Indian master franchisee grew revenue 34.9% in FY26 — but after rent, the margin is 2.96%. Can a lease-heavy, company-run store expansion turn into sustainable returns and cash?



Indian Subway stores vs master-franchise obligation

## FY26 AT A GLANCE

**₹966 Cr**

Revenue, +34.9% YoY

**2.96%**

EBITDA margin after lease cash (10.16% reported)

**₹(58.2) Cr**

Consolidated loss, from ₹(28.3) Cr

**₹600 Cr**

100% fresh issue; no OFS

## THE REAL QUESTION

**Not “can EverBrands keep growing?” — but “can this lease-heavy store expansion produce sustainable returns and cash?”**

**EVERBRANDS INDIA LTD · IPO NOTE**

# Inside this note

30 September 2026  
DRHP dated 28 September 2026

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**THE NOTE IN 60 SECONDS**

## Real growth, thin economics after rent

- 1 Growth is real:** revenue +34.9% to ₹966.17 Cr; company-store SSSG ~+6.2%.
- 2 Rent eats the margin:** 10.16% reported EBITDA margin vs 2.96% after lease cash costs.
- 3 Model is shifting:** 678 company-owned stores (from 311) — more revenue, more leases, more capex.
- 4 Cash is the test:** FCF after leases and franchise purchases –₹160.54 Cr in FY26; about –₹406.56 Cr over three years.

**1,008**

Indian Subway stores  
(+8 in Sri Lanka)

**₹326.85 Cr**

Proposed for 460 new  
company stores

**₹525.61 Cr**

Lease liabilities, Mar-26

**2,500+**

Stores required by 2031  
under master franchise

**THE ISSUE**

|                   |                                  |
|-------------------|----------------------------------|
| Fresh Issue / OFS | ≤ ₹600 Cr / Nil                  |
| Pre-IPO placement | Optional, ≤ ₹120 Cr              |
| Price band        | Not disclosed                    |
| Listing / route   | BSE, NSE / loss-making, ≥75% QIB |

**Key question:** can this lease-heavy store expansion eventually produce sustainable returns and cash generation?

**Reading notes.** All figures in ₹ crore, consolidated, unless stated. FY = year ending March 31. The IPO price band is not disclosed in the DRHP; ₹285.80/share is the latest Series D price, used only as an illustrative valuation anchor. Figures marked "derived" or "Alpha Room calc." are analyst calculations from DRHP data. New to IPOs? Read the [2-minute IPO guide](#).

# EverBrands India Ltd

## KEY ISSUE DATA

| Stance            | Not rated           |
|-------------------|---------------------|
| Fresh Issue       | ≤ ₹600 Cr           |
| Offer for Sale    | Nil                 |
| Total offer       | ≤ ₹600 Cr           |
| Pre-IPO placement | Optional, ≤ ₹120 Cr |
| Price band        | Not disclosed       |
| Route / QIB       | Loss-making / ≥75%  |
| Listing           | BSE, NSE            |
| Series D price    | ₹285.80/sh*         |
| DRHP date         | 28-Sep-2026         |

\*Illustrative anchor only, not the IPO price.

Pre-IPO placement, if done, reduces the Fresh Issue proportionately.

## OPERATING SNAPSHOT

|                      |                       |
|----------------------|-----------------------|
| Subway stores, India | 1,008                 |
| Company-owned        | 678                   |
| Franchised           | 330                   |
| Sri Lanka stores     | 8                     |
| Company-store SSSG   | ~6.2%                 |
| Master franchise to  | Dec-2031 <sup>†</sup> |

As at March 31, 2026. <sup>†</sup>Potentially extendable to 2041, subject to terms.

## FINANCIALS (₹ CR)

| Year to March            | FY25    | FY26    |
|--------------------------|---------|---------|
| Revenue                  | ~716    | 966.17  |
| EBITDA                   | –       | 98.13   |
| EBITDA margin            | –       | 10.16%  |
| Adj. EBITDA <sup>†</sup> | –       | 28.61   |
| PAT                      | (28.26) | (58.19) |
| CFO                      | –       | 94.18   |

FY25 revenue derived from stated 34.9% growth. <sup>†</sup>After lease cash costs. "–": not in source material.

## Growth is real; lease-adjusted returns are the test

EverBrands entered FY26 with rapid store expansion, a growing shift toward company-run Subway outlets and a separate premium coffee-and-tea business. Revenue grew **34.9% to ₹966.17 Cr** and reported EBITDA margin improved to **10.16%**. But after lease cash costs, **Adjusted EBITDA margin was only 2.96%**.

The consolidated loss widened to ₹58.19 Cr, and the business continued to consume capital through store capex, lease payments and franchise-store acquisitions. The ₹600 Cr IPO is 100% fresh — mostly to fund 460 more company-owned stores.

### From franchisor to store operator

Company-owned stores rose from 311 (FY24) to 678 (FY26) while Indian franchised stores fell from 501 to 330. COCO stores put full store sales on EverBrands' books — and with them leases, fit-out capex and operating risk.

### EBITDA is flattered by Ind AS 116

CFO of ₹94.18 Cr looks close to EBITDA of ₹98.13 Cr. But lease principal and finance costs sit outside CFO; deducting them leaves ~₹14.39 Cr (analytical bridge). FCF after capex and intangibles was –₹61.95 Cr.

### Valuation still unknown

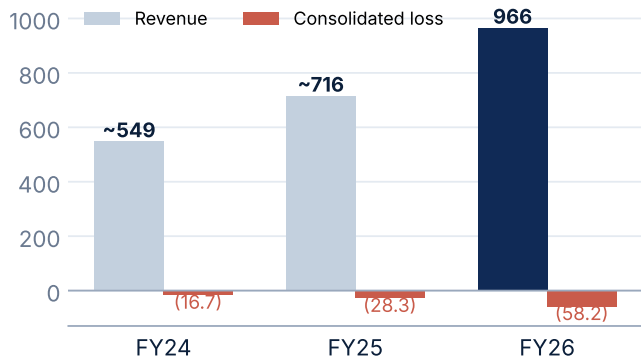
Without a price band, IPO multiples cannot be calculated. At the ₹285.80 Series D price (ESOP-inclusive), the illustrative EV/Adjusted EBITDA is ~87.95x versus ~25.64x on reported EBITDA.

### Key question: can EverBrands turn rapid company-store expansion into attractive lease-adjusted returns and sustainable cash generation?

We keep the business assessment separate from any valuation conclusion until the price band is announced.

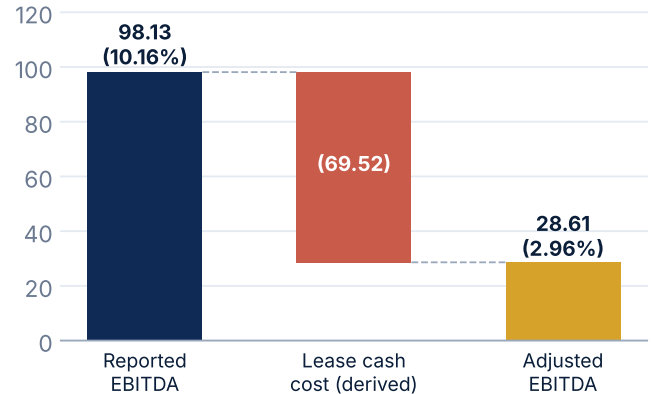
## STORY IN CHARTS

**Exhibit 1** Revenue up ~1.8x in two years; losses up ~3.5x (₹ Cr)



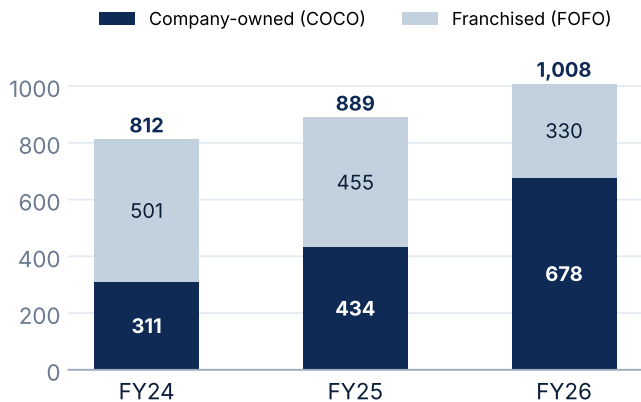
FY24–25 revenue derived from stated 34.9% growth and 32.7% CAGR. Source: DRHP, Alpha Room Research

**Exhibit 2** After rent, EBITDA shrinks by ~70% (FY26, ₹ Cr)



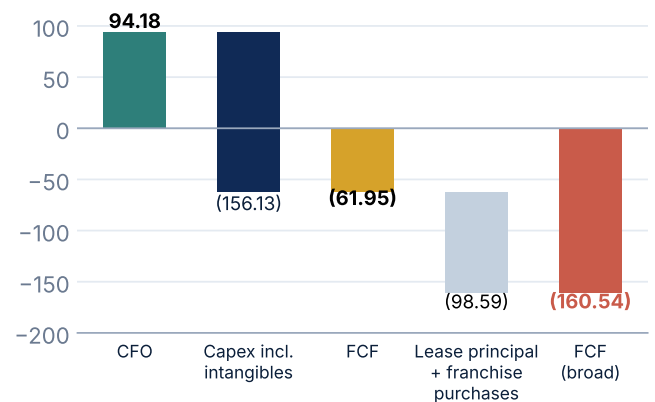
Lease cash cost = reported less adjusted EBITDA (derived). Source: DRHP, Alpha Room Research

**Exhibit 3** Store mix flipped toward company-owned outlets



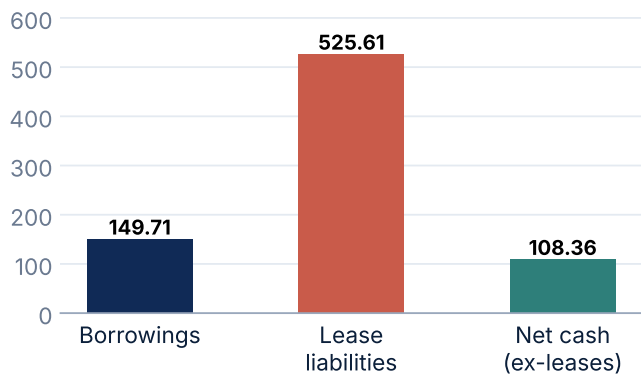
Indian Subway stores, March year-end. Source: DRHP

**Exhibit 4** FY26 cash: positive CFO, negative FCF (₹ Cr)



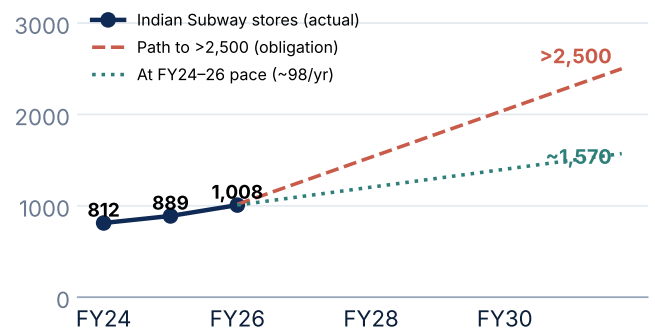
Capex and lease/franchise outflows derived from reported FCF measures. Source: DRHP, Alpha Room Research

**Exhibit 5** Lease liabilities dwarf bank debt (Mar-26, ₹ Cr)



Source: DRHP

**Exhibit 6** 2,500+ store obligation vs historical pace



Pace lines are Alpha Room illustrations, not forecasts; obligation refers to the system incl. other territories. Source: DRHP

## 01 Business at a glance

EverBrands is more than a Subway franchise story. The group runs two businesses — Subway QSR and premium beverages — and its store-ownership model is changing fast. It increasingly needs to be analysed as a store operator, not an asset-light master franchisor.

### Subway QSR (~71.7% of FY26 revenue)

Master franchisee of Subway for **India, Sri Lanka and Bangladesh**. Rights run to December 2031, potentially extendable to 2041, subject to terms.

#### Exhibit 7 Indian Subway store base

| Store type           | FY24       | FY25       | FY26         |
|----------------------|------------|------------|--------------|
| Company-owned (COCO) | 311        | 434        | 678          |
| Franchised (FOFO)    | 501        | 455        | 330          |
| <b>Total India</b>   | <b>812</b> | <b>889</b> | <b>1,008</b> |
| COCO share           | 38.3%      | 48.8%      | 67.3%        |

Plus 8 stores in Sri Lanka (Mar-26). COCO share: Alpha Room calc.  
Source: DRHP

### Beverages (~24.9% of FY26 revenue)

A premium coffee-and-tea business spanning **Lavazza, Dilmah** and **The Fresh & Honest** brand — coffee machines, roasting, consumables and related services, with institutional customers and an installed machine base.

**Why the model shift matters:** company-run stores bring full store sales onto the P&L — but also leases, fit-out capex and operating risk. Franchise stores bring smaller, lower-risk franchise income.

**~11.4%**

Store count CAGR, FY24–26

**~32.7%**

Revenue CAGR, FY24–26

## 02 Industry & competitive position

The DRHP's industry report forecasts a **21.8% CAGR** for India's organised chain-QSR market over FY25–30, and ranks Subway the **third-largest QSR chain in India by store count** (March 31, 2026). Both come from the TKC Report, commissioned and paid for by the company — treat them as management-side evidence, not independent proof.

#### Exhibit 8 Listed peer set — and its limits

| Segment                 | Listed peers (per DRHP)                                                                               | Comparability                                        |
|-------------------------|-------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| <b>QSR (~72%)</b>       | Jubilant FoodWorks, Devyani International, Westlife Foodworld, Sapphire Foods, Restaurant Brands Asia | Reasonable on store economics; ownership mix differs |
| <b>Beverages (~25%)</b> | No directly comparable listed peer identified in the DRHP                                             | Limited                                              |

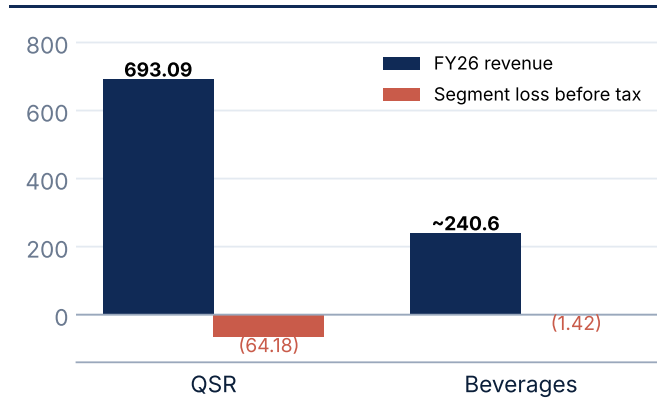
Source: DRHP, Alpha Room Research

**Our read:** EverBrands must be judged through store economics and ownership mix — not headline QSR growth alone.

### 03 Business quality

The biggest change in EverBrands' economics is the shift toward company-operated Subway stores. QSR is the revenue engine — and also where the losses are concentrated.

**Exhibit 9** FY26 segment revenue vs segment result (₹ Cr)



Beverage revenue derived from 24.9% share. Source: DRHP, Alpha Room Research

**Exhibit 10** Segment economics

| Metric                         | QSR            | Beverages     |
|--------------------------------|----------------|---------------|
| FY26 revenue (₹ Cr)            | 693.09         | ~240.6        |
| Share of FY26 revenue          | ~71.7%         | ~24.9%        |
| <b>FY26 segment PBT (₹ Cr)</b> | <b>(64.18)</b> | <b>(1.42)</b> |
| FY24 segment PBT (₹ Cr)        | –              | 9.01          |

Source: DRHP

The beverage business diversifies the group, but its profitability has also weakened — from a ₹9.01 Cr profit in FY24 to a ₹1.42 Cr loss in FY26.

### Store count vs revenue: the ownership-mix effect

Store count grew at ~11.4% CAGR (812 → 1,008) over FY24–26, but revenue grew at ~32.7% CAGR. The shift to COCO stores is an important contributor, because EverBrands recognises the full sales of company stores rather than mainly franchise income. The DRHP does not provide enough detail to isolate precisely how much growth came from ownership mix versus same-store growth and new stores.



**Exhibit 11** Quality signals at a glance

| Signal                  | FY26 datapoint                       | Read   | Comment                                |
|-------------------------|--------------------------------------|--------|----------------------------------------|
| Company-store SSSG      | ~+6.2% (negative in FY25)            | Better | Growth not purely store-count-driven   |
| QSR segment profit      | ₹(64.18) Cr                          | Weak   | Core engine yet to show segment profit |
| Beverage segment profit | ₹(1.42) Cr vs ₹9.01 Cr in FY24       | Watch  | Diversifier has weakened               |
| Supplier concentration  | Jyoti International: ~60.22% of COGS | Watch  | Bargaining-power risk                  |
| Aggregator dependence   | ~35.07% of revenue                   | Watch  | Commission and margin risk             |

Source: DRHP, Alpha Room Research

## 04 Key financial picture

Rapid growth, steadily improving reported EBITDA margin — and widening losses with heavy capital intensity. FY26 looks like a high-growth expansion phase, not proof of attractive mature store economics.

**Exhibit 12** P&L summary (₹ Cr)

| Year to March             | FY24    | FY25    | FY26         |
|---------------------------|---------|---------|--------------|
| Revenue                   | ~549    | ~716    | 966.17       |
| Revenue growth            | —       | —       | 34.9%        |
| Reported EBITDA           | —       | —       | 98.13        |
| Reported EBITDA margin    | —       | —       | 10.16%       |
| Lease cash cost (derived) | —       | —       | (69.52)      |
| <b>Adjusted EBITDA</b>    | —       | —       | <b>28.61</b> |
| Adjusted EBITDA margin    | —       | —       | 2.96%        |
| Consolidated loss         | (16.67) | (28.26) | (58.19)      |

FY24–25 revenue derived. "—": not in source material. Source: DRHP, Alpha Room Research

**Exhibit 13** Balance sheet & cash (₹ Cr)

| Item                                            | FY26 / Mar-26    |
|-------------------------------------------------|------------------|
| Operating cash flow (reported)                  | 94.18            |
| FCF after PPE/CWIP + intangibles                | (61.95)          |
| FCF after lease principal + franchise purchases | (160.54)         |
| <b>3-yr cumulative FCF (broad)</b>              | <b>~(406.56)</b> |
| Borrowings                                      | 149.71           |
| Lease liabilities                               | 525.61           |
| Net cash excl. leases                           | 108.36           |
| Net worth (derived)                             | ~569             |

Net worth implied by ₹147.39 Cr = 25.9% of FY26 net worth. Source: DRHP, Alpha Room Research

## Two ways to read the same operating model

**Exhibit 14** Reported vs lease-adjusted EBITDA (FY26)

**10.16%**

Reported EBITDA margin  
(₹98.13 Cr) — before rent  
under Ind AS 116

**2.96%**

Adjusted EBITDA margin  
(₹28.61 Cr) — after lease  
cash payments

Source: DRHP

Under Ind AS 116, rent leaves EBITDA and reappears as depreciation and interest. For a store-heavy business, the **lease-adjusted** margin is the economically relevant number — and it is roughly one-third of the reported figure.

Lease liabilities of ₹525.61 Cr are ~3.5x bank borrowings: **lease-adjusted leverage** matters more than headline bank debt.

## 05 Are the numbers real? Earnings & cash quality

FY26 CFO of ₹94.18 Cr against EBITDA of ₹98.13 Cr looks like strong cash conversion. Lease accounting changes the picture.

### 1. The CFO illusion

- Under Ind AS 116, **lease principal and financing costs sit outside CFO**.
- Reducing FY26 CFO by lease principal and total finance costs paid leaves **~₹14.39 Cr**.
- This is an **analytical bridge**, not a company-reported metric; finance costs paid are not necessarily limited to lease interest.

### 2. Free cash flow

- After PPE/CWIP and intangible capex: **-₹61.95 Cr**.
- After lease principal and franchise-store purchases: **-₹160.54 Cr**.
- Three-year cumulative on the broader basis: **~-₹406.56 Cr**.

#### Exhibit 15 From EBITDA to cash after leases (FY26, ₹ Cr)

| Step                                                    | ₹ Cr           |
|---------------------------------------------------------|----------------|
| Reported EBITDA                                         | 98.13          |
| Reported operating cash flow                            | 94.18          |
| Less: lease principal + finance costs paid (derived)    | (79.79)        |
| <b>CFO after lease &amp; finance costs (analytical)</b> | <b>~14.39</b>  |
| Less: PPE/CWIP + intangibles capex (derived)            | (156.13)       |
| <b>FCF after capex (reported basis)</b>                 | <b>(61.95)</b> |

Derived lines back-solved from DRHP-based measures. Source: DRHP, Alpha Room Research

The business generates positive operating cash **before** major investment, but has not yet shown that rapid store expansion can be funded internally while producing strong lease-adjusted returns.

#### Exhibit 16 Earnings and cash quality scorecard — FY26

| Test                     | Evidence                            | Signal | Why it matters                           |
|--------------------------|-------------------------------------|--------|------------------------------------------|
| Profitability after rent | Adj. EBITDA margin 2.96%            | Weak   | Thin buffer for a store-heavy model      |
| Bottom line              | Loss ₹(58.19) Cr, widening          | Weak   | Losses doubled while revenue grew 34.9%  |
| CFO quality              | ₹94.18 Cr → ~₹14.39 Cr after leases | Watch  | Reported CFO overstates cash after rent  |
| Self-funding             | FCF (broad) ₹(160.54) Cr            | Weak   | Growth depends on external capital       |
| Same-store demand        | SSSG ~+6.2%                         | OK     | Growth is not purely store additions     |
| Audit opinion            | Unmodified                          | OK     | But audit-trail issues flagged (see §06) |

Source: DRHP, Alpha Room Research

**10.16% reported margin + 2.96% lease-adjusted margin + negative FCF = growth is real, but self-funded returns are not yet proven.**

## 06 Governance & related parties

None of the items below establishes misconduct or misstatement. But for a company about to list, controls, finance-function continuity and the reconciliation of tax exposures deserve attention.

### Exhibit 17 Governance watch-list

| Area                | Disclosure                                                                                                                                                              | What to look for                              |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>Management</b>   | Significant management and board changes before the DRHP; conflicting appointment dates for certain finance and secretarial roles across sections                       | Clarification; finance-team continuity        |
| <b>Audit trail</b>  | Unmodified opinion, but Rule 11(g) audit-trail issues in all three years — gaps at application/database level; limits on third-party software evidence and preservation | Remediation in first listed years             |
| <b>Tax disputes</b> | Quantified tax disputes in litigation section ~₹147.39 Cr (~25.9% of FY26 net worth); Note 44 contingent liabilities ~₹84.30 Cr                                         | Scope reconciliation; progress on GST matters |
| <b>Regulatory</b>   | Two Subway-store food-licence suspensions shortly before filing                                                                                                         | Whether issues stay isolated                  |

The two tax figures may differ in scope; the gap alone is not evidence of an accounting inconsistency. Source: DRHP, Alpha Room Research

### Related parties: limited, with one item to watch

#### Exhibit 18 Related-party snapshot (FY26)

| Item                                       | Disclosure        |
|--------------------------------------------|-------------------|
| Related-party revenue                      | None meaningful   |
| Promoter loans                             | None sizeable     |
| <b>PPE from Essay Commercial Resources</b> | <b>~₹21.53 Cr</b> |
| Share of FY26 PPE capex                    | ~15.3%            |

Essay Commercial Resources is a promoter-group entity. Source: DRHP

**~₹21.5 Cr**

Fit-out PPE bought from promoter group

**~25.9%**

Quantified tax disputes / FY26 net worth

The company states related-party transactions are at arm's length. The DRHP material reviewed does not include an external pricing benchmark for the fit-out purchases, so we stop short of concluding on pricing fairness. With 460 new stores planned, the **pricing and volume of promoter-group fit-out purchases** is worth tracking.

## 07 The IPO: funding the store rollout

A 100% fresh issue of up to ₹600 Cr — no promoter or existing shareholder is selling. Most of the money goes into 460 new company-owned stores, largely across FY28 and FY29.

### Exhibit 19 Offer structure

| Component                    | Size                                   |
|------------------------------|----------------------------------------|
| Fresh Issue                  | Up to ₹600 Cr                          |
| Offer for Sale               | Nil                                    |
| <b>Total offer</b>           | <b>Up to ₹600 Cr</b>                   |
| Pre-IPO placement (optional) | Up to ₹120 Cr*                         |
| Route / QIB allocation       | Loss-making / $\geq 75\%$ of net offer |
| Listing                      | BSE, NSE mainboard                     |
| Price band                   | Not disclosed                          |

\*Reduces the Fresh Issue proportionately if completed. Source: DRHP

### Exhibit 20 Objects of the Fresh Issue (gross)



- 460 COCO stores ₹326.85 Cr
- HSBC loan (CBIPL) ₹125 Cr
- GCP + issue exp. ₹148.15 Cr\*

\*Gross residual before issue expenses; GCP capped at 25% of gross proceeds and not yet disclosed. Source: DRHP

## What the money buys

**~₹71 lakh**

Proposed spend per new company store (₹326.85 Cr ÷ 460, derived)

**₹125 Cr**

Repay/prepay HSBC term loan of subsidiary CBIPL

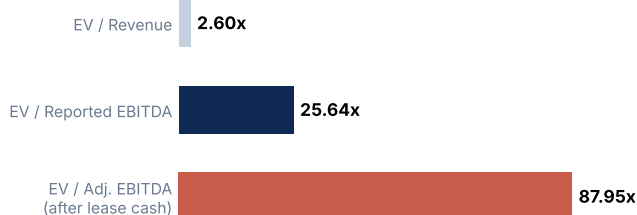
**₹148.15 Cr**

Gross residual — not the GCP amount

Each new COCO store adds a lease on top of the fit-out capex. The economic case for the fresh capital therefore rests on **store-level payback after rent** — the 2.96% lease-adjusted margin is the starting point.

## Illustrative valuation reference — not an IPO valuation

### Exhibit 21 Implied multiples at the ₹285.80 Series D price



ESOP-inclusive share count (incl. 3.343 mn options). Illustrative only. Source: DRHP, Alpha Room Research

P/E is not meaningful because the company is loss-making. The gap between **25.64x** reported-EBITDA and **87.95x** lease-adjusted EBITDA multiples shows why the EBITDA definition matters so much for this business.

**Bottom line on price:** without a price band, final market capitalisation, EV/revenue, EV/EBITDA and P/B cannot be calculated. The Series D price is a reference point only.

## 08 What we are watching: monitoring dashboard

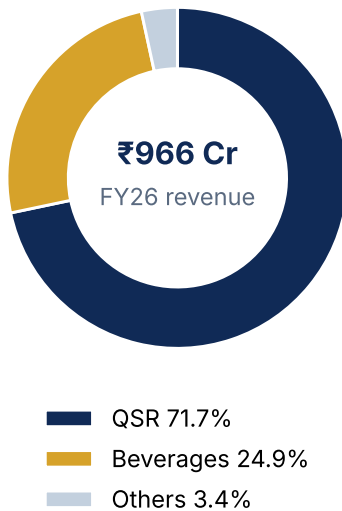
### Exhibit 22 Eight questions, one datapoint each

| # | Question                                      | Latest datapoint                           | What would improve the case                                                   |
|---|-----------------------------------------------|--------------------------------------------|-------------------------------------------------------------------------------|
| 1 | Is growth continuing?                         | Revenue +34.9%; SSSG ~+6.2%                | Growth led by same-store demand and new stores, not only FOFO→COCO conversion |
| 2 | Is QSR getting healthier?                     | QSR PBT ₹(64.18) Cr on ₹693.09 Cr revenue  | Scale and store density moving the segment toward profit                      |
| 3 | Is beverages recovering?                      | Segment PBT ₹(1.42) Cr; ~24.9% of revenue  | Return to profit; better use of installed machines and institutions           |
| 4 | Is improvement reaching cash?                 | Adj. EBITDA ₹28.61 Cr; FCF ₹(61.95) Cr     | Self-funded growth after rent and capex                                       |
| 5 | How is the rollout hitting the balance sheet? | Leases ₹525.61 Cr; borrowings ₹149.71 Cr   | Lease-adjusted leverage stable as 460 stores open                             |
| 6 | How is IPO capital deployed?                  | ₹326.85 Cr stores; ₹125 Cr debt            | New-store returns; GCP use within the cap                                     |
| 7 | Are governance issues addressed?              | Audit-trail gaps; role-date conflicts; tax | Remediation, clarification, dispute resolution                                |
| 8 | How much is priced in?                        | Series D ₹285.80 → 87.95x adj. EBITDA      | Price band anchored to lease-adjusted earnings                                |

Source: DRHP, Alpha Room Research

## 09 Business mix: ownership matters as much as growth

### Exhibit 23 FY26 revenue mix



Source: DRHP

Company-store F&B sales were **63.3% of FY26 revenue**. Franchise income has become a much smaller share of the group, while direct company-store sales now dominate the top line.

### Exhibit 24 Two models inside one company

| Model            | FY26                         | Economics                           |
|------------------|------------------------------|-------------------------------------|
| Company-operated | 678 stores; 63.3% of revenue | Full sales; leases, capex, ops risk |
| Franchised       | 330 stores                   | Fee income; asset-light             |
| Beverages        | ~24.9% of revenue            | Machines, consumables, services     |

Source: DRHP

Asset-light franchisor



Lease-heavy store operator

## 10 Bull case vs bear case

### THE BULL CASE

#### 1. Strong revenue growth

+34.9% in FY26; ~32.7% CAGR over FY24–26.

#### 2. Same-store sales improved

Company-store SSSG ~+6.2% in FY26 after a negative FY25 — growth was not purely store-count-driven.

#### 3. Long Subway runway

Master-franchise rights to Dec-2031, potentially extendable to 2041, subject to terms.

#### 4. Proceeds go to growth

~₹326.85 Cr for 460 company-owned stores — more growth-oriented than an exit-led IPO.

#### 5. No OFS

100% fresh issue; promoters and existing shareholders are not cashing out.

#### 6. A second operating vertical

Beverages bring institutional customers, installed machines and recurring consumables — a diversifier if profitability recovers.

### THE BEAR CASE

#### 1. Losses widening

₹(16.67) Cr → ₹(28.26) Cr → ₹(58.19) Cr over FY24–26.

#### 2. Thin margin after rent

10.16% reported vs 2.96% lease-adjusted EBITDA margin.

#### 3. QSR still loss-making

Segment loss before tax ₹(64.18) Cr.

#### 4. Negative free cash flow

₹(61.95) Cr after capex; ₹(160.54) Cr broad; ~₹(406.56) Cr over three years.

#### 5. Aggressive obligations

2,500+ stores by 2031 vs ~1,016 today — far faster than the historical pace.

#### 6. Concentration

One supplier ~60.22% of COGS; aggregators ~35.07% of revenue.

#### 7. Litigation & controls

Tax disputes ~₹147.39 Cr (~25.9% of net worth); audit-trail gaps in all three years.

#### 8. Valuation unknown

Price band not announced; part of the issue remains flexible through GCP.

## 11 Investment thesis & our view

**"Can EverBrands turn rapid company-store expansion into attractive lease-adjusted returns and sustainable cash generation?"**

### Exhibit 25 Three tests and one valuation question

| Test             | Question                                                                             | Evidence today               |
|------------------|--------------------------------------------------------------------------------------|------------------------------|
| <b>Growth</b>    | Can revenue and same-store sales stay durable as the network expands?                | +34.9% revenue; SSSG ~+6.2%  |
| <b>Margins</b>   | Can lease-adjusted EBITDA rise meaningfully above 2.96%, and QSR move toward profit? | QSR PBT ₹(64.18) Cr          |
| <b>Cash</b>      | Can expansion be funded without repeated external capital?                           | FCF (broad) ₹(160.54) Cr     |
| <b>Valuation</b> | What price will investors pay for that improvement?                                  | Price band not yet disclosed |

Source: Alpha Room Research

### Our view

We frame EverBrands as a **fast-growing consumer platform that has not yet proven attractive mature store economics**. Company-operated stores lift reported revenue, but they also require leases, fit-out capital and operating execution. Three things would strengthen the case:

#### Growth quality stays durable.

Supported by same-store demand, not only by moving franchisee economics onto EverBrands' P&L.

#### Cash returns improve.

The 10.16% vs 2.96% gap narrows through better store economics, and FCF improves.

#### Execution risk falls.

The 2,500+ obligation, litigation, audit-trail gaps and churn become easier to underwrite.

Until the price band is disclosed, we keep the business analysis separate from the valuation conclusion.

## 12 What's next: the post-listing checklist

| Question                                  | Track                                                        |
|-------------------------------------------|--------------------------------------------------------------|
| 1. Is growth continuing?                  | Revenue + SSSG + new store additions                         |
| 2. Is the QSR business getting healthier? | QSR segment P&L + company-store economics + ownership mix    |
| 3. Is the beverage business improving?    | Segment profit + machine utilisation + institutional growth  |
| 4. Is the improvement reaching cash?      | Lease-adjusted EBITDA + CFO after lease costs + FCF          |
| 5. Is capital being used effectively?     | 460-store rollout + debt repayment + GCP + lease liabilities |

### The whole story in one line:

**Growth** → **Better store economics** → **Lease-adjusted margins** → **Sustainable cash generation**

FY26 showed impressive top-line momentum. The next phase must prove the growth earns adequate returns on the capital and leases required to create it.

## Sources, methodology & important disclosures

### Source

EverBrands India Limited Draft Red Herring Prospectus dated September 28, 2026, as analysed in the accompanying research workbook. This note was published on 30 September 2026.

### Methodology & definitions

- All figures in ₹ crore, consolidated, unless stated. FY = fiscal year ending March 31.
- Adjusted EBITDA = reported EBITDA less lease cash payments. Reported EBITDA under Ind AS 116 excludes rent.
- Analyst calculations (labelled "derived", "analytical" or "Alpha Room calc.") include: FY24–25 revenue back-solved from stated growth and CAGR; lease cash cost; CFO after lease and finance costs; capex and lease/franchise outflows back-solved from FCF measures; net worth implied by the 25.9% ratio; beverage revenue from its 24.9% share; per-store spend; COCO share; and store-pace illustrations.
- The ₹14.39 Cr CFO-after-leases figure deducts total finance costs paid, which are not necessarily limited to lease interest.
- ₹285.80/share is the latest Series D price, used with an ESOP-inclusive share count only as an illustrative anchor. It is not the IPO price band, which is not disclosed in the DRHP.
- Industry forecasts and rankings come from the TKC Report, commissioned and paid for by the Company.

### Disclaimer

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