



Date: 31st July 2024

To,

National Stock Exchange of India Limited Exchange Plaza, Block G, C/1, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 Symbol: SAPPHIRE	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 Scrip Code: 543397
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Dear Sir/Madam,

Subject: Corporate Presentation

Pursuant to the Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith Corporate Presentation.

The Corporate Presentation is also available on Company's website (<https://www.sapphirefoods.in/investors-relation/corporate-presentation>) under FY25 Q1 section.

Request you to kindly take the same on record.

Thanking you,
For Sapphire Foods India Limited



Sachin Dudam
Company Secretary and Compliance Officer

Encl: a/a



SAPPHIRE FOODS INDIA LIMITED CORPORATE PRESENTATION – JUL'24



SAFE HARBOR



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SAPPHIRE FOODS AT A GLANCE



YUM's **Franchisee** Operator in India, Sri Lanka and Maldives



Sri Lanka's **Largest** International QSR chain ⁽¹⁾



₹ **7,165 MN** Q1FY25 Restaurant Sales



17.3% [18.8%] Q1FY25 EBITDA margin
₹ **1,242 MN [1,224]** Q1FY25 EBITDA



18.2% [19.2%] FY24 EBITDA margin
₹ **4,718 MN [4,343]** FY24 EBITDA



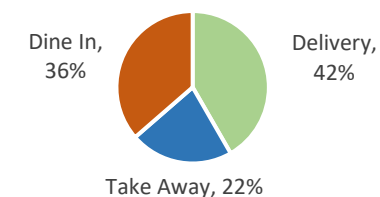
886 Total Restaurants Across India, Sri Lanka and Maldives ⁽²⁾



444 KFC Restaurants ⁽²⁾
433 Pizza Hut Restaurants ⁽²⁾
9 Taco Bell Restaurants ⁽²⁾



Omni Channel Mix ⁽³⁾

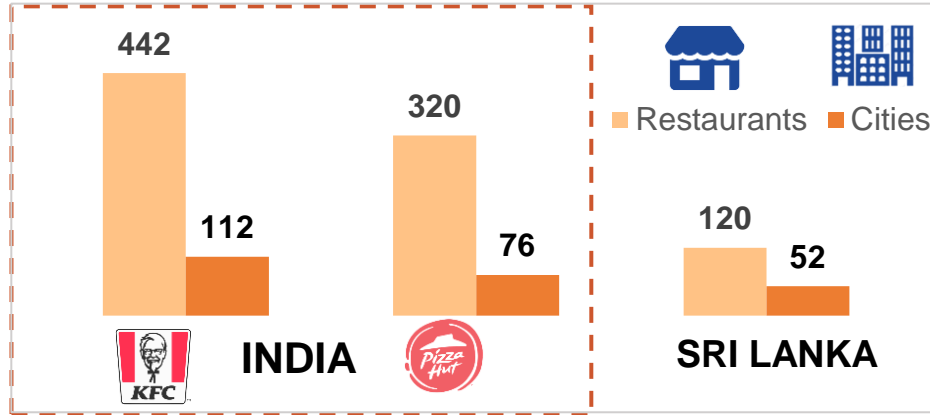


Source: Company data, Technopak industry report

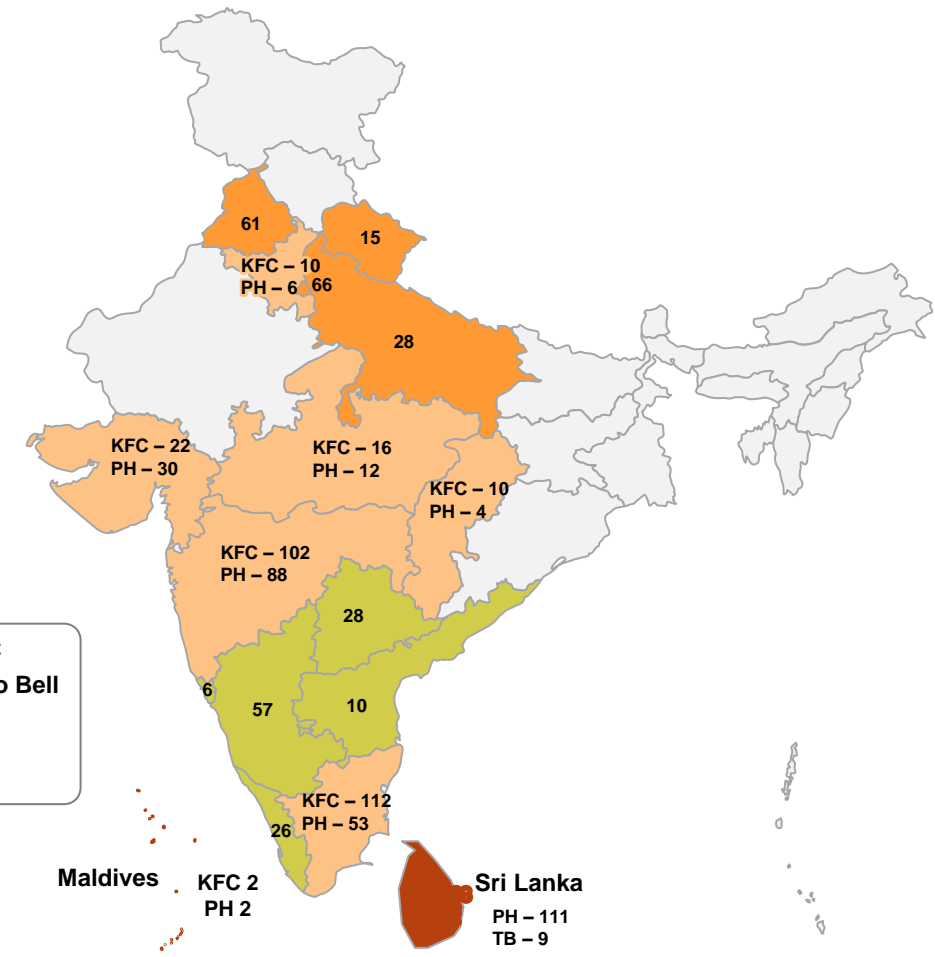
(1) In terms of Restaurant Sales for FY21 and number of restaurants operated as of March 31, 2021; (2) As of Jun 30, 2024; (3) Pertains to Q1 FY25

JOURNEY OF SAPPHIRE FOODS

BUILT A PLATFORM OF 886 OUTLETS (1)



SAPPHIRE FOODS: GEOGRAPHICAL PRESENCE (1)



~ KFC and Pizza Hut Brands Operate in States that cover 56% of GDP (2)

KFC and Pizza Hut present in 10 and 11 states of India respectively

KFC and Pizza Hut present in 5 and 6 of the Top 8 cities of India respectively

Top 8 Cities in India contribute 87% of Chain Food Services Market (3)

28 Cities where 383 restaurants of both KFC and Pizza Hut are operated

Source: Company data, Technopak Industry Report

(1) As of Mar 31, 2024. Includes 4 restaurants in Maldives (2) GDP contribution of states In FY19 where Pizza Hut and KFC restaurants are located; (3) In FY20

THE SAPPHIRE STORY



Two global brands
(KFC & Pizza Hut) with **Scale
& PAT profitability among
Top 3 QSR operators**



**Capability and capital to
rapidly drive organic and
inorganic growth plans**

**Value based work
culture, high on
governance** enabled by
professional
management, board and
promoters



Execution Mindset
Great Customer
experience along with
Superior Back-end
operational excellence



**Optimal capital allocation
drives new restaurant
expansion model** - focus on
smaller sized **omni-channel
restaurants**



FINANCIAL OVERVIEW

SAPPHIRE FOODS: 3-YEAR SCORECARD



Relentless Execution. Grit. Performance.

FY24 Highlights

- Sapphire has delivered the best all-round performance in the QSR industry (all parameters considered): Revenue scale & growth [↑ 15%], Adj. EBITDA margin [10.5%] & growth [↑ 3%] and New restaurant additions [129].
- Sapphire KFC delivered highest ever annual restaurant EBITDA margin %: 19.7%
- Sapphire KFC and Pizza Hut being recognized as among the top 3 franchisees of Yum globally on customer metrics and operating standards.
- Sapphire Foods is ranked No.1 QSR in India and at 95th percentile amongst QSR globally on Dow Jones Sustainability Index (DJSI).
- We achieved our best ever employee engagement score since inception and placed at 88th percentile amongst all companies surveyed worldwide by Gallup.

Adj. EBITDA and Adj. PAT is before Ind-AS 116 adjustments

* Adj. EBITDA and Adj. PAT for FY22 have been normalized for additional incentive from Yum accrued in that year

Adj PAT excludes Deferred Tax Credit (DTC) of ₹1253 mn towards carried forward losses in SFIL in FY23. Post DTC the Adj PAT is ₹2,654 Mn

SUMMARY CONSOLIDATED FINANCIALS

Q1 FY25



Particulars	Q1 FY25	Q1 FY24	Change YoY	FY24
Restaurant Sales ₹ mn	7,165	6,526	▲ 10%	25,880
Adj. EBITDA ₹ mn	707	772	▼ -8%	2,717
%	9.9%	11.8%	▼ -190 bps	10.5%
EBITDA ₹ mn	1,242	1,224	▲ 1%	4,718
%	17.3%	18.8%	▼ -150 bps	18.2%
PBT ₹ mn	118	336	▼ -65%	699
%	1.7%	5.2%	▼ -350 bps	2.7%
PAT ₹ mn	82	249	▼	520
%	1.1%	3.8%	▼	2.0%
Restaurant Additions	14	35		129

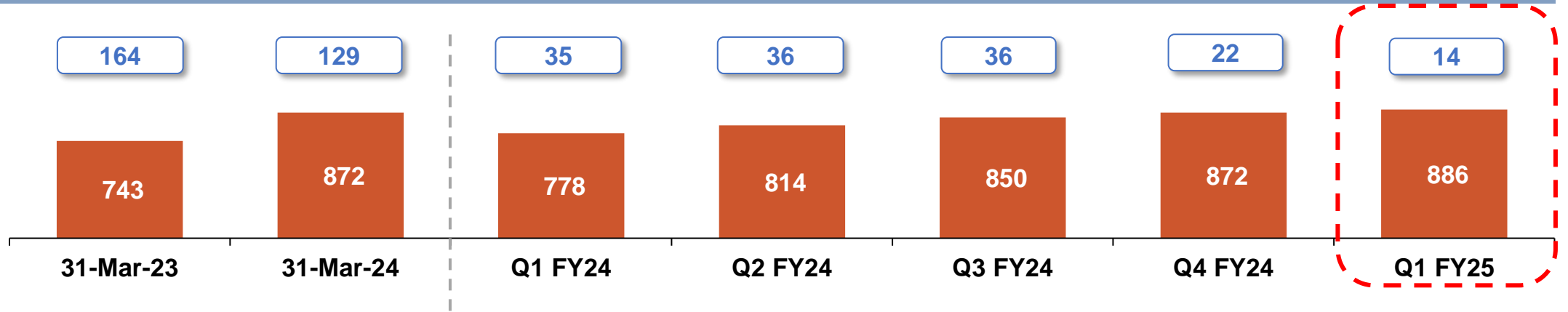
Adj. EBITDA is before Ind-AS 116 adjustments

OPERATIONAL & FINANCIAL OVERVIEW



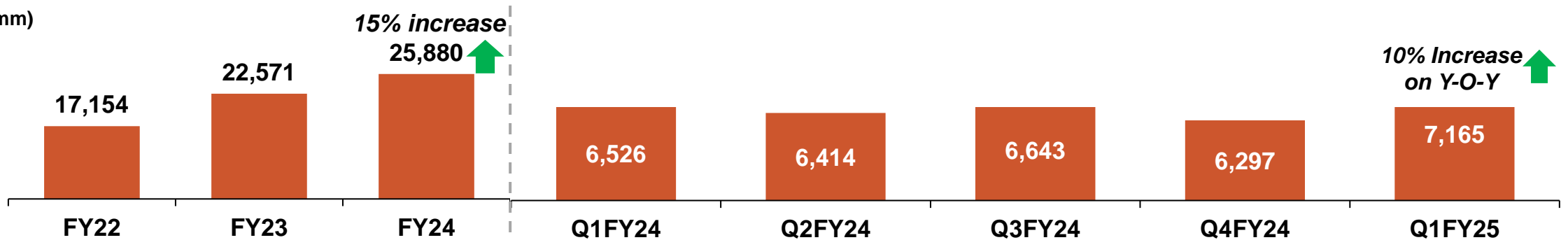
NUMBER OF RESTAURANTS

Net Restaurant Additions



RESTAURANT SALES

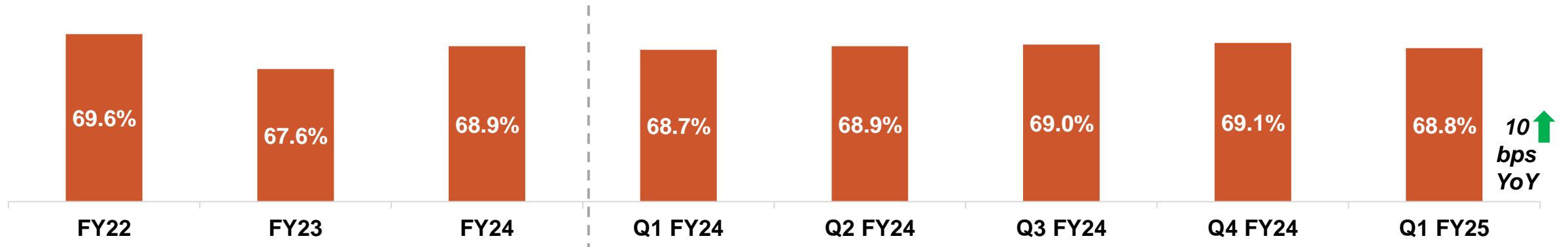
(INR mm)



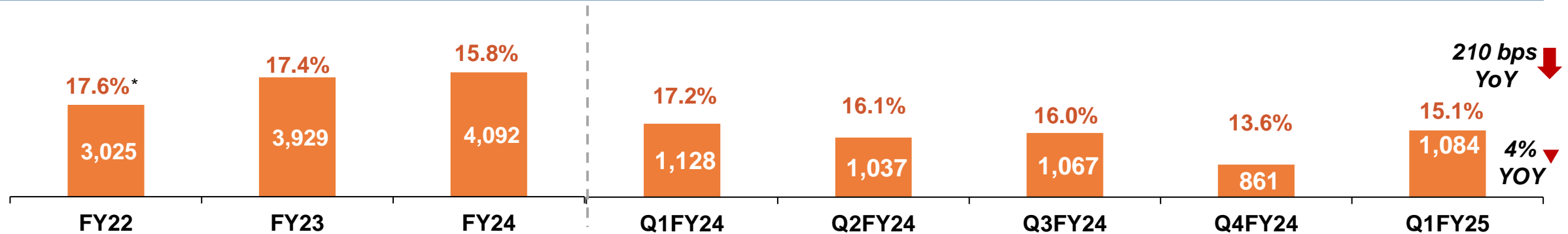
PROFITABILITY OVERVIEW



GROSS MARGIN %



RESTAURANT EBITDA (₹ MN / %)



KEY INITIATIVES



Zero-based cost budgeting leading to permanent cost reduction



PACE SETTER program for benchmarking cost amongst restaurants



Optimization of restaurant size



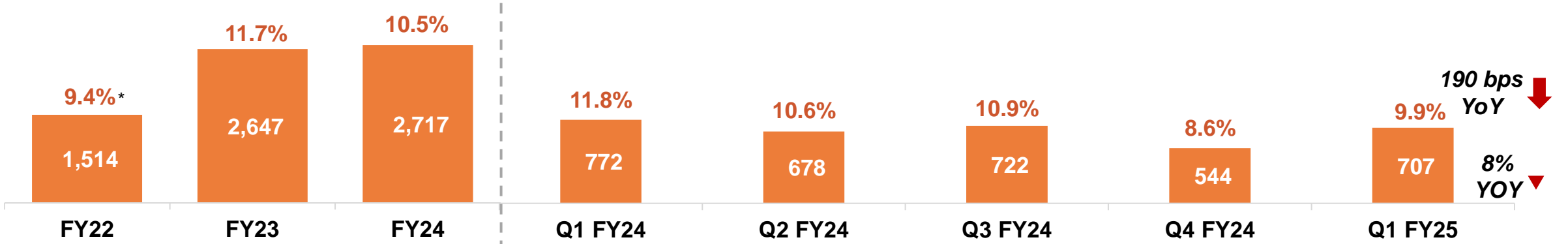
Increase in revenue from Delivery from 21% in FY19 to 42% in Q1FY25

Restaurant EBITDA is before Ind-AS 116 adjustments
*FY22 excludes additional incentives of 1.1%

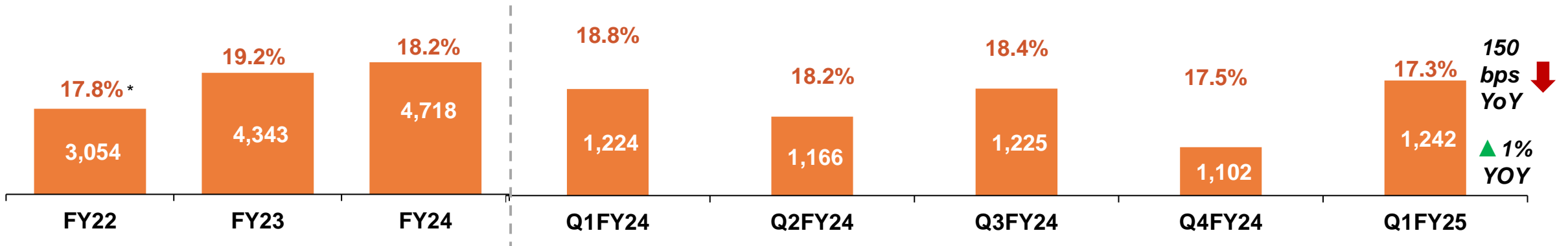
PROFITABILITY OVERVIEW



ADJ. EBITDA (₹ MN / %)



EBITDA (₹ MN / %)



KEY INITIATIVES



Zero-based cost budgeting leading to permanent cost reduction



PACE SETTER program for benchmarking cost amongst restaurants



Optimization of restaurant size



Increase in revenue from Delivery from 21% in FY19 to 42% in Q1FY25

Adj. EBITDA is before Ind-AS 116 adjustments
*FY22 excludes additional incentives of 1.1%



SEGMENTAL PERFORMANCE

KFC BRAND PRIORITIES



Fried Chicken Category Relevance / Craveable taste / Value



Enhance Fried Chicken Category Relevance

Continue to build lunch occasion through variety, value and mass-media advertising



Craveable Taste

- Enhance KFC Zinger's "best burger credentials" with launch of 6 sauce variants & new veg Paneer Zinger
- Expand KFC Chicken Rolls range with launch of 3 sauce variants
- Launch of new Krushers range



Value

- Address critical price points of ₹99/- & ₹149/- through variety of individual and meal offerings



Frictionless Customer Experience

- Digital Kiosks
- KFC App
- Partnering with aggregators



Operational Excellence

- 7 Minutes express pickup
- Improvement on ratings on both aggregators









Improve Accessibility

- On track to double the Restaurant Count in ~3 years (base Dec'21 count)

CORE COMPOSITION OF OUR BUSINESS: KFC INDIA



	AS OF MAR 31, 2022 / FOR FY22	AS OF MAR 31, 2023 /FOR FY23	AS OF MAR 31, 2024 /FOR FY24	AS OF JUN 30, 2024 /FOR Q1FY25
 Total Restaurant Count	263	341	429	442
 Average Daily Sales per Restaurant (INR'000s)	130	135	125	122
 Restaurant Related Revenue (in INR mm)	10,349	14,529	17,157	4,770  11% YoY
 Restaurant EBITDA (in %)	18.7%*	19.4%	19.7%	18.8%  200 bps YoY






Net restaurant additions of **13** in Q1FY25.

Source: Company data

*Restaurant EBITDA % is Normalized for additional incentives accrued in that period and YoY comparison is with Normalized numbers of FY22

UPDATE ON PIZZA HUT ACTION PLAN



Actionable	Status	Comment
<u>A. Build Brand:</u>		
- Product Innovation		● With the launch of Melts, Thin Crust Pizza and revamped Pasta range in Mar-24, there has been an improvement in performance
- Enhanced Marketing Investments		● Rolled out mass media campaign for Melts
<u>B. Grow Dine In / Home Service:</u>		
- Operations		● Dragon Tail (kitchen planning tool) rolled out in 100% restaurants including integration with Aggregators
		● Aggregators Customer ratings seeing steady improvement QoQ
- Building Occasions		● Lunch and late-night day part activation rolled out
C. Real Estate		● Cautious expansion (1 restaurant addition in CY24)

Sapphire Pizza Hut has seen an uplift in performance. However as communicated earlier, we need to continue to back the brand with both product innovation and marketing investments over the next several quarters.

CORE COMPOSITION OF OUR BUSINESS: PIZZA HUT INDIA



	AS OF MAR 31, 2022 / For FY22	AS OF MAR 31, 2023 / For FY23	AS OF MAR 31, 2024 / For FY24	AS OF JUN 30, 2024 / For Q1FY25
Total Restaurant Count	219	286	319	320
Average Daily Sales per Restaurant (INR'000s)	57	58	46	48
Restaurant Related Revenue (in INR mm)	3,710	5,214	5,185	1,396 3% YoY
Restaurant EBITDA (in %)	11.4%	13.3%	4.9%	4.6% 440 bps YoY

Net restaurant additions of 1 in Q1FY25.

CORE COMPOSITION OF OUR BUSINESS: SRI LANKA OPERATIONS







AS OF MAR 31, 2022
/ For FY22

AS OF MAR 31, 2023
/ For FY23

AS OF MAR31, 2024
/ For FY24

AS OF JUN30, 2024
/ For Q1FY25

	AS OF MAR 31, 2022 / For FY22	AS OF MAR 31, 2023 / For FY23	AS OF MAR31, 2024 / For FY24	AS OF JUN30, 2024 / For Q1FY25	
 Total Restaurant Count	95	114	120	120	
 Average Daily Sales per Restaurant (INR'000s)	108	72	79	89	
 Restaurant Related Revenue (in INR mm)	2,983	2,716	3,397	978	YoY ↑ 19% (INR) ↑ 13% (LKR)
 Restaurant EBITDA (in %)	22.0%	14.8%	13.7%	13.2%	YoY ↑ 20 bps

Net restaurant additions of 0 in Q1FY25

Source: Company data
*Restaurant EBITDA % is Normalized for additional incentives accrued in that period.

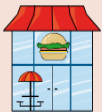


UNIT ECONOMICS



INDIA

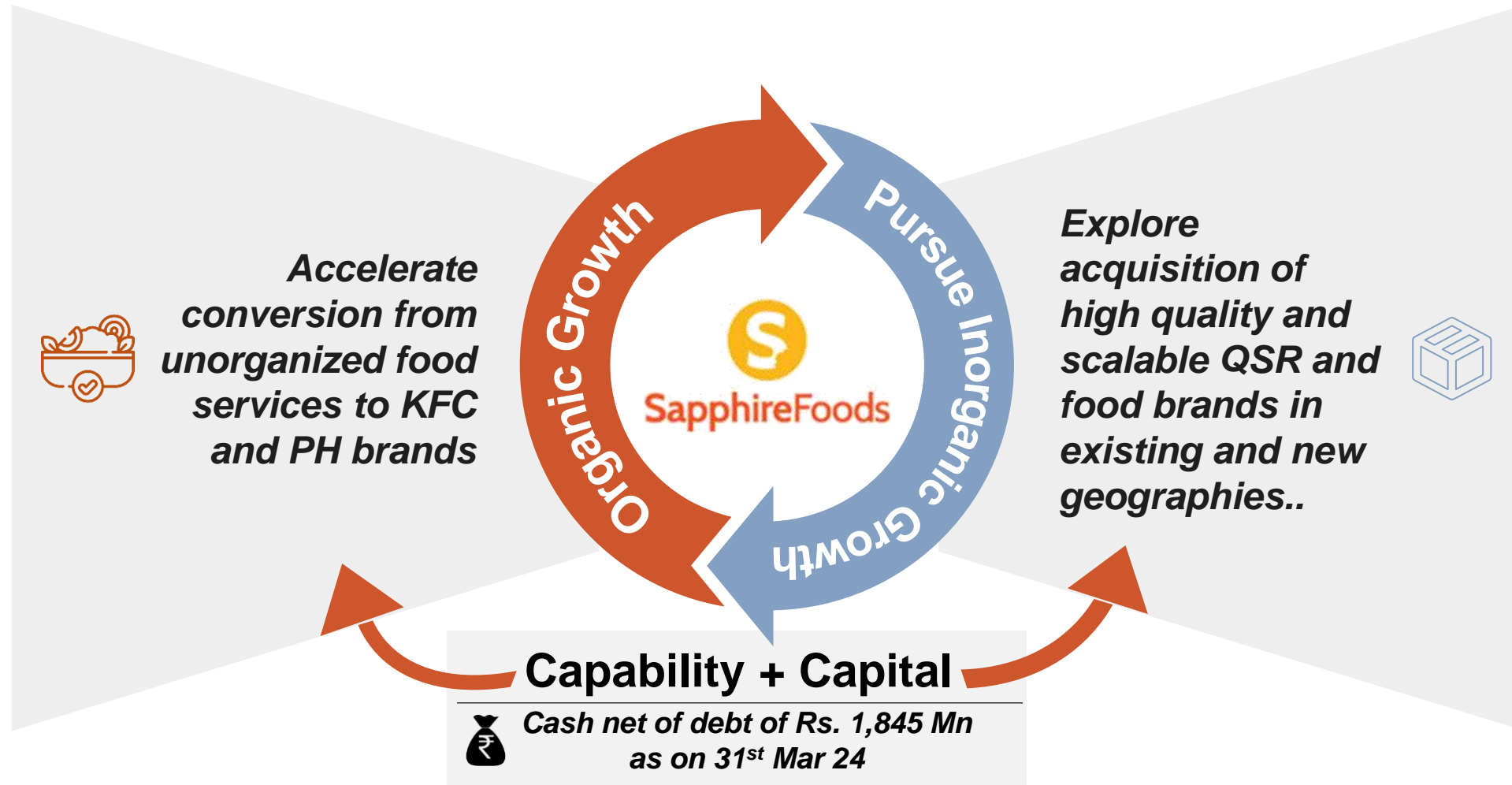


INDIA

	As of 31-Mar-19		Current		As of 31-Mar-19		Current	
Avg Size of Restaurant (in Sq. ft.) 	2,736		~ 1,500	Reduction in Avg Restaurant size ~45%	2,427		~ 1,200	Reduction in Avg Restaurant size ~45%
Average Daily Sales per Restaurant (in ₹ '000) 	<u>FY19</u>		<u>FY23</u>	<u>FY24</u>	<u>FY19</u>		<u>FY23</u>	<u>FY24</u>
	125		135	125	61		58	46
Restaurant EBITDA % 	<u>FY19</u>		<u>FY23</u>	<u>FY24</u>	<u>FY19</u>		<u>FY23</u>	<u>FY24</u>
	12.7%		19.4%	19.7%	7.5%		13.3%	4.9%

In Pizza Hut 1,000 sqft. restaurants rolled out for densification. We expect this will be around 10-15% of our new restaurants going forward

WELL POSITIONED TO CAPTURE FUTURE OPPORTUNITIES



SCALABILITY IN FOOD BUSINESS



SAPPHIRE FOODS' 7 MANTRAS TO DRIVE SCALABILITY IN FOOD BUSINESS

Centre of plate / meal /
daily consumption

Difficult to make at
home

Brand differentiation –
provenance story

Production processes
do not need 'chefs'

Value-for-money

Quick service

Omni-channel worthy

ESG REPORT
2023-24



Responsible
Execution. Grit. Performance.

SAPPHIRE FOODS INDIA LIMITED

HIGHLIGHTS

- Published our 3rd **ESG Report** under **GRI, SASB and BRSR Standards**
- **Only Indian QSR Company** to publish full-fledged ESG Report aligned with global ESG frameworks.
- Obtained **limited assurance** on our BRSR and ESG Report on a voluntary basis.



Received **IGBC (Indian Green building Council) Gold Certification** for one of our KFC restaurant.
The only Company in Indian QSR and Retail segment to attain this feat.

<https://www.sapphirefoods.in/storage/app/media/SFIL-ESG%20Report%202023-24.pdf>

MANAGEMENT TEAM



RIGHT PEOPLE IN KEY SEATS

MANAGEMENT TEAM WITH DIVERSE EXPERIENCES



Deepak Taluja
CEO – KFC



Vikrant Vohra
CEO – Pizza Hut



Vijay Jain
CFO



Nandita Bapat
Head - Projects



Priya Adiseshan
Chief People Officer



Amar Patel
Chief Tech Officer



Ashu Khanna
Head Supply Chain



Niraj Patil
Head Legal and Liaison



Puneet Bhatia
Head Business Development

BOARD OF DIRECTORS



OUR DIRECTORS



Sunil Chandiramani
Chairman and
Independent Director



Sanjay Purohit
Whole Time Director
and Group CEO



Sumeet Narang
Non-Executive
Nominee Director



Deepa Wadhwa
Independent
Director



Vinod Nambiar
Non-Executive
Nominee Director



Vikram Agarwal
Non-Executive
Nominee Director



Annu Aggarwal
Independent
Director



Nobeert Fernandes
Non-Executive
Nominee Director



Kabir Thakur
Non-Executive
Nominee Director

INTERNAL AUDIT

Protiviti

STATUTORY AUDIT

SRBC & Co LLP

ESG

Assisted by PWC

SHAREHOLDING PATTERN



Shareholding Pattern (As on 30 th Jun 2024)	% Holding
Promoters & Promoter Group	30.8
Foreign Portfolio Investors / Non-Resident Indians	32.0
Domestic – Mutual Funds Insurance Companies	30.2
AIF, Resident Individuals & Others	7.0
Total	100.0



THANK YOU

Company:



Sapphire Foods India Limited

CIN: L55204MH2009PLC197005

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www.sapphirefoods.in

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