



Date: 9<sup>th</sup> February 2024

To,

<b>National Stock Exchange of India Limited</b> Exchange Plaza, Block G, C/1, Bandra Kurla Complex, Bandra (E), Mumbai – 400051  Symbol: SAPPHIRE	<b>BSE Limited</b> 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 FY24 Q3 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 – FEB'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 <sup>(1)</sup>

 ₹ **6,643 MN** Q3 FY24 Restaurant Sales


 **18.4% [19.6%]** Q3FY24 EBITDA margin  
₹ **1,225 MN [1,167]** Q3FY24 EBITDA




 **18.5% [19.5%]** 9MFY24 EBITDA margin  
₹ **3,615 MN [3,313]** 9MFY24 EBITDA

 **850** Total Restaurants Across India, Sri Lanka and Maldives <sup>(3)</sup>

 **408 KFC** Restaurants <sup>(2)</sup>  
**433 Pizza Hut** Restaurants <sup>(2)</sup>  
**9 Taco Bell** Restaurants <sup>(2)</sup>

 **Omni Channel Mix** <sup>(3)</sup>

Dine In, 39%  
Delivery, 40%  
Take Away, 21%

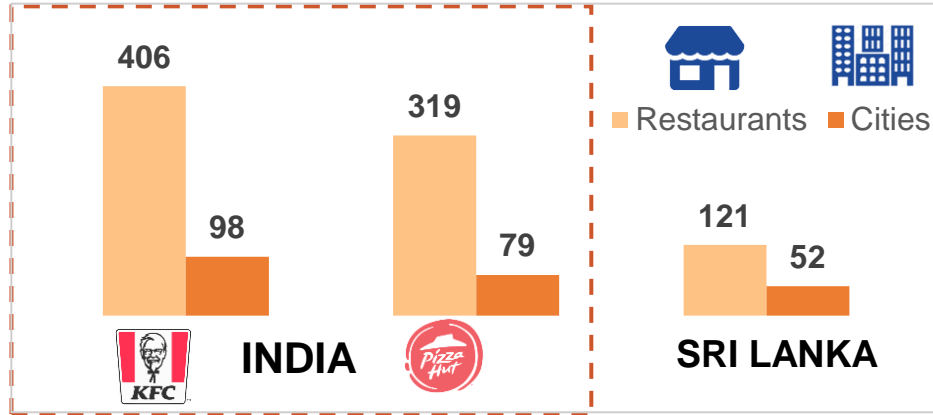


Source: Company data, Technopak industry report

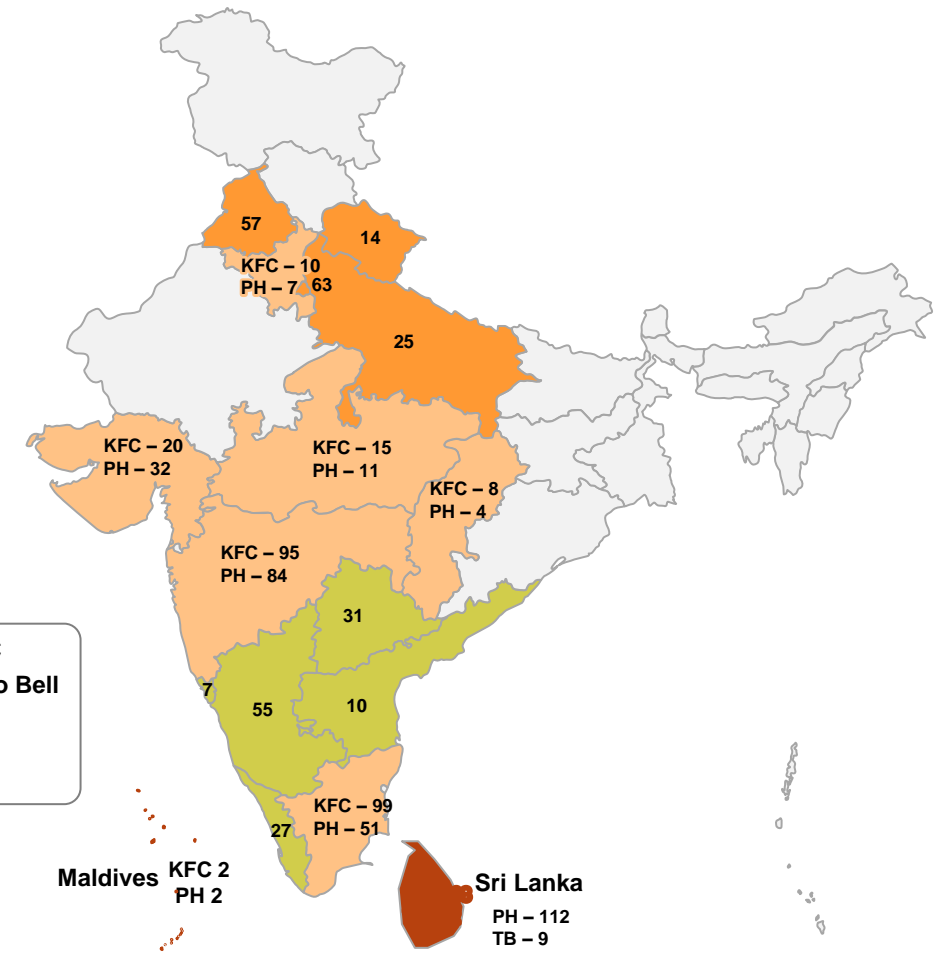
(1) In terms of Restaurant Sales for FY21 and number of restaurants operated as of March 31, 2021; (2) As of Dec 31, 2023; (3) Pertains to Q3 FY24

# JOURNEY OF SAPPHIRE FOODS

## BUILT A PLATFORM OF 850 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 367 restaurants of both KFC and Pizza Hut are operated**

Source: Company data, Technopak Industry Report  
 (1) As of Dec 31, 2023. 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



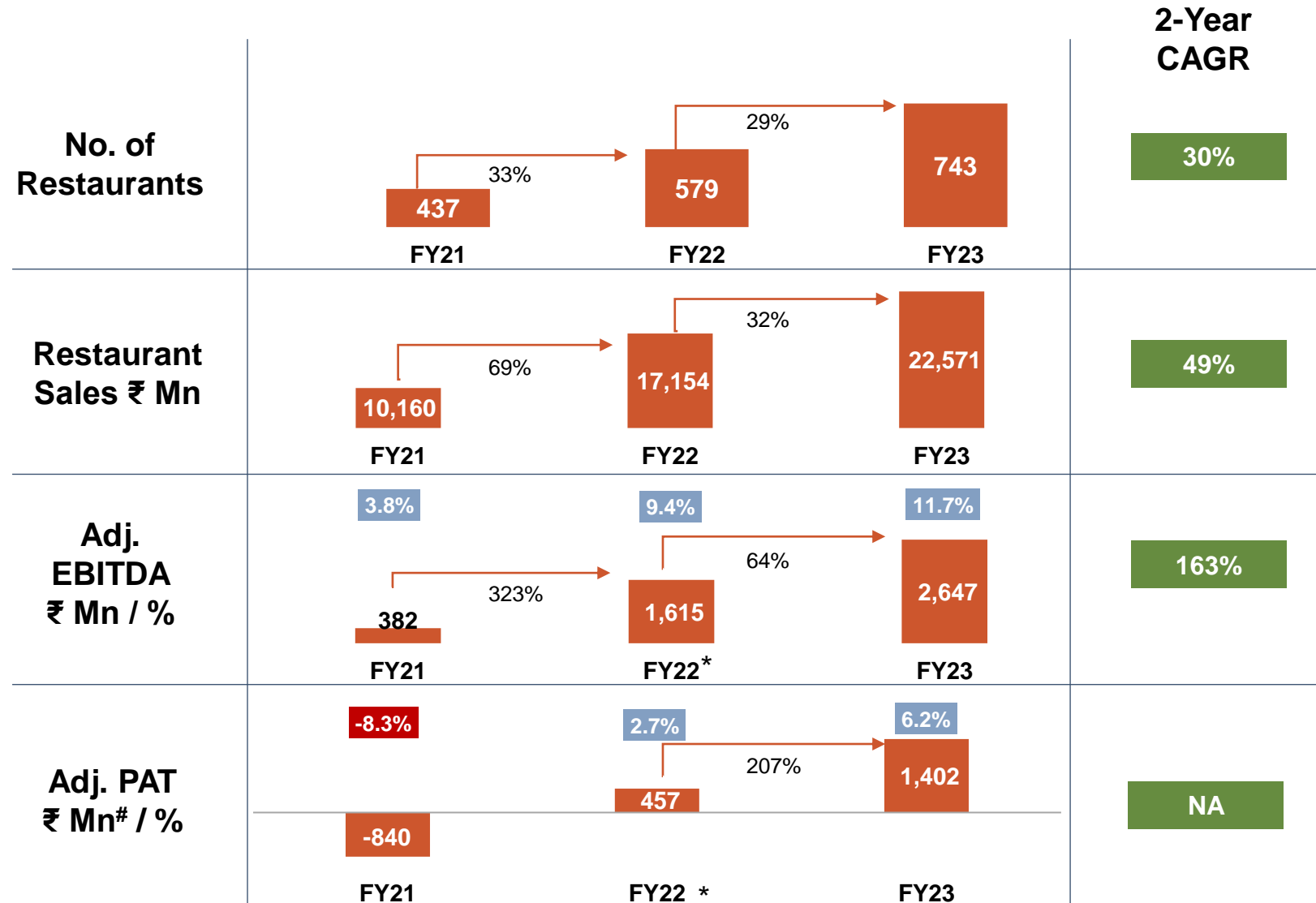
**Optimal capital allocation  
drives new restaurant  
expansion model** - focus on  
smaller sized **omni-channel  
restaurants**



# FINANCIAL OVERVIEW



# SAPPHIRE FOODS: JOURNEY POST LISTING



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

## Q3 & 9M FY24



Particulars	Q3 FY24	Q3 FY23	Change YoY	9M FY24	9M FY23	Change YoY	FY23
Restaurant Sales ₹ mn	6,643	5,939	▲ 12%	19,582	16,978	▲ 15%	22,571
Adj. EBITDA ₹ mn	722	738	▼ -2%	2,172	2,084	▲ 4%	2,647
%	10.9%	12.4%	▼ -150 bps	11.1%	12.3%	▼ -120 bps	11.7%
EBITDA ₹ mn	1,225	1,167	▲ 5%	3,615	3,313	▲ 9%	4,343
%	18.4%	19.6%	▼ -120 bps	18.5%	19.5%	▼ -100 bps	19.2%
PBT ₹ mn	140	336	▼ -58%	691	961	▼ -28%	1,084
%	2.1%	5.7%	▼ -360 bps	3.5%	5.7%	▼ -220 bps	4.8%
PAT ₹ mn #	98	327	▼ -70%	499	977	▼ -49%	2,332
%	1.5%	5.5%	▼ -400 bps	2.5%	5.8%	▼ -330 bps	10.3%
Restaurant Additions	36	57		107	136		164

Note: YoY Q3 PAT is not comparable because there was no tax expense for SFIL in Q3 FY23. In Q3 FY24 there is deferred tax expense without any cash outflow.

# FY23 annual PAT includes Deferred Tax Credit (DTC) of ₹1253 mn towards carried forward losses and deductible temporary differences in SFIL. FY23 annual Adj. PAT before DTC is ₹1402 mn (6.2%).

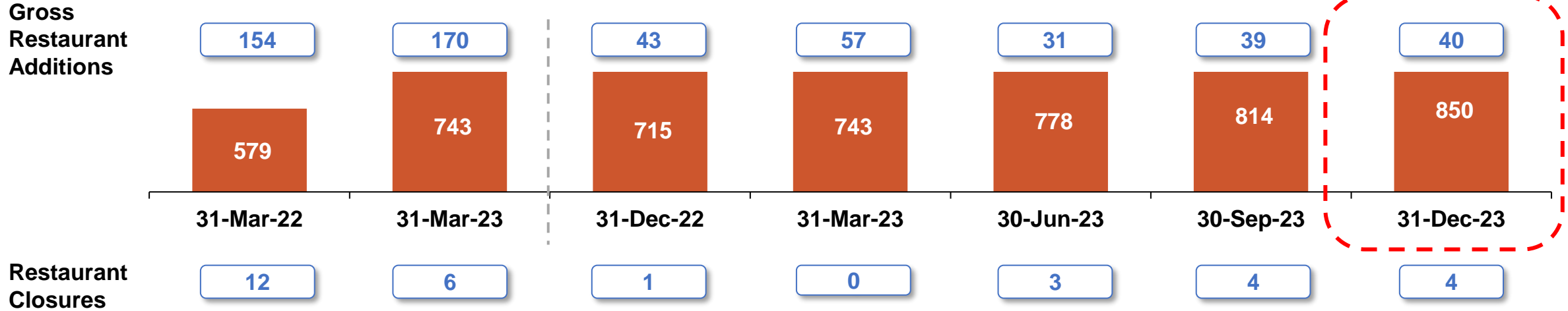
Adj. PAT for Q3 FY24 is ₹184 mn (2.8%).

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

# OPERATIONAL & FINANCIAL OVERVIEW

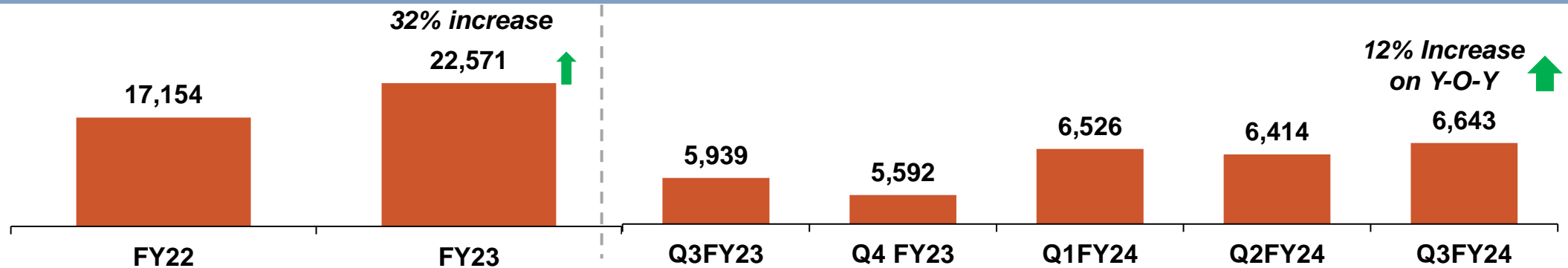


## NUMBER OF RESTAURANTS



## RESTAURANT SALES

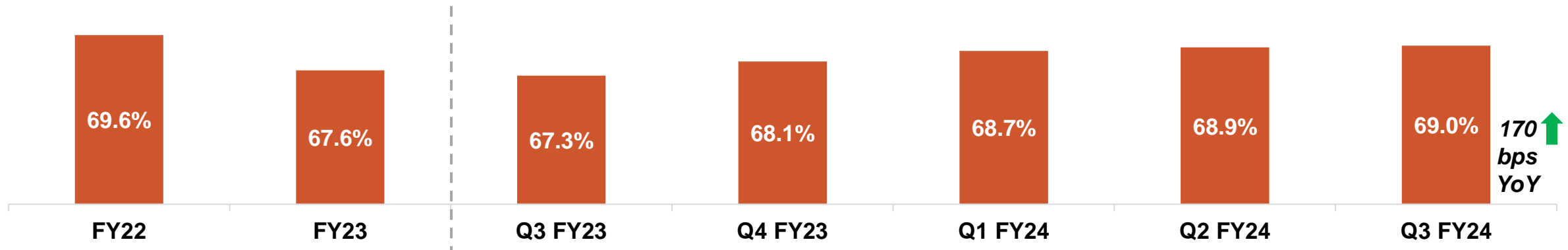
(INR mm)



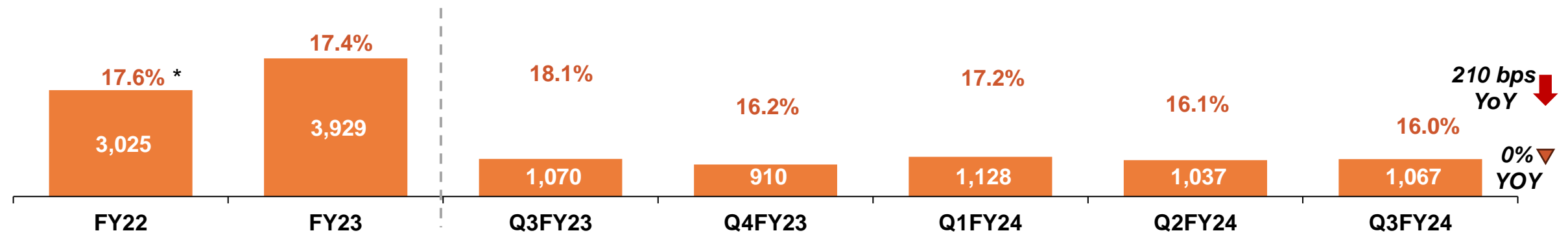
# PROFITABILITY OVERVIEW



## 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 39% in FY23

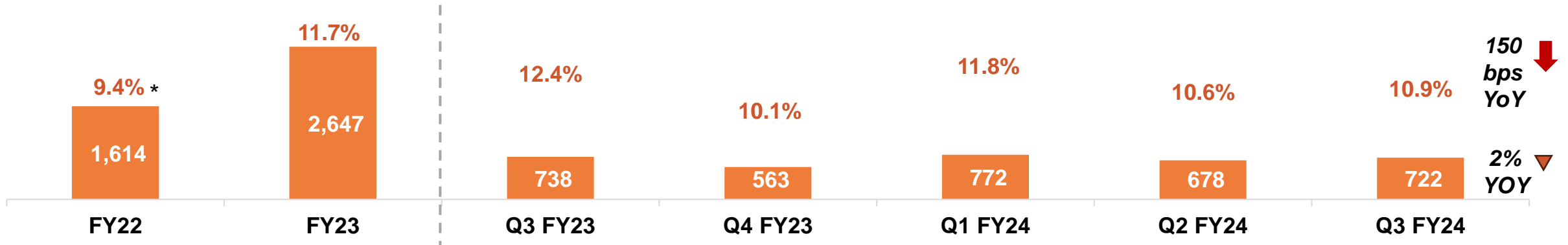
# Restaurant EBITDA is before Ind-AS 116 adjustments

\*Restaurant EBITDA % and ₹ Value is Normalized for additional incentives accrued in that period

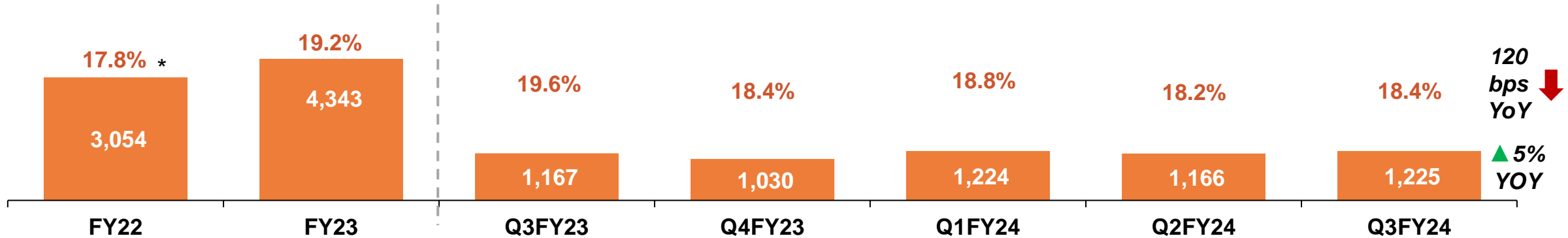
# PROFITABILITY OVERVIEW



## 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 39% in FY23

# Adj. EBITDA is before Ind-AS 116 adjustments

\*Adj. EBITDA and EBITDA % and ₹ Value is Normalized for additional incentives accrued in that period and YoY comparison is with Normalized numbers of FY22



# SEGMENTAL PERFORMANCE

# KFC BRAND PRIORITIES



## Enhance Fried Chicken Category Relevance

- Build day part occasions of consumption: Lunch & Snacking



## Craveable Taste

- Innovation: Reintroduction of Chizza as limited time offer



## Value

- Lunch variety menu launch with advertising at ₹149/-
- Snackers range at ₹99/-
- New value construct on Wednesday: 15 Pcs at ₹399/-



## Frictionless Customer Experience

- Digital Kiosks
- KFC App
- Partnering with aggregators



## Operational Excellence

- 7 Minutes express pickup
- Continuous improvement of consumer ratings on aggregator platform



## 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, 2021 / FOR FY21	AS OF MAR 31, 2022 / FOR FY22	AS OF MAR 31, 2023 / FOR FY23	AS OF DEC 31, 2023 / FOR 9MFY24
Total Restaurant Count	203	263	341	406
Average Daily Sales per Restaurant (INR'000s)	106	130	135	129
Restaurant Related Revenue (in INR mm)	5,897  24%	10,349  75%	14,529  40%	12,872  19% YoY
Restaurant EBITDA (in %)	14.0%  100 bps	18.7%*  470 bps*	19.4%  70 bps	20.0%  50 bps YoY

Net restaurant additions of **65** in 9M FY24.

Source: Company data






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



# PIZZA HUT INDIA

## SPECIFIC PLANS NEXT 6-12 MONTHS



Actionable	Status	Comment
<b><u>A. Build Brand:</u></b>		
- Product Innovation 	●	Innovation to start rolling out over the <b>next 2 quarters</b>
- Enhanced Marketing Investments 	●	Additional Investments to back product innovation
<b><u>B. Grow Dine In / Home Service:</u></b>		
- Operations 	●	Dragon Tail (kitchen planning tool) <b>rolled out in 100%</b> restaurants including integration with Aggregators
	●	Aggregators Customer ratings seeing <b>steady improvement</b> QoQ
- Building Occasions 	●	Lunch day part activation rolled out
	●	<b>91%</b> of High Street restaurants now open for late <b>night deliveries</b>
<b>C. Real Estate</b> 	●	<b>~3-5% Portfolio corrections in next 2 quarters</b> & ~10% Refurbs in 2024

Brand revival will take a few quarters. The action we are taking are fundamental in nature & with persistence will deliver results.

# CORE COMPOSITION OF OUR BUSINESS: PIZZA HUT INDIA



	AS OF MAR 31, 2021 /FOR FY21	AS OF MAR 31, 2022 / FOR FY22	AS OF MAR 31, 2023 / FOR FY23	AS OF DEC 31, 2023 / FOR 9MFY24	
Total Restaurant Count	162	219	286	319	
Average Daily Sales per Restaurant (INR'000s)	48	57	58	48	
Restaurant Related Revenue (in INR mm)	2218	3,710	5,214	3,997	0% YoY
Restaurant EBITDA (in %)	5.0%	11.4%	13.3%	7.1%	760 bps YoY

Net restaurant additions of **33** in 9M FY24.

# CORE COMPOSITION OF OUR BUSINESS: SRI LANKA OPERATIONS



AS OF MAR 31, 2021 / FOR FY21      AS OF MAR 31, 2022 / FOR FY22      AS OF MAR 31, 2023 / FOR FY23      AS OF DEC 31, 2023 / FOR 9M FY24

	AS OF MAR 31, 2021 / FOR FY21	AS OF MAR 31, 2022 / FOR FY22	AS OF MAR 31, 2023 / FOR FY23	AS OF DEC 31, 2023 / FOR 9M FY24
Total Restaurant Count	70	95	114	121
Average Daily Sales per Restaurant (INR'000s)	94	108	72	81
Restaurant Related Revenue (in INR mm)	1,966  4%	2,983  52% (INR) 60% (LKR)	2,716  9% (INR) 48% (LKR)	2,581  YoY 26% INR 8% (LKR)
Restaurant EBITDA (in %)	19.6%  340 bps	22.0%  240 bps*	14.8%  720 bps	14.2%  YoY 80 bps

Net restaurant additions of 7 in 9M FY24

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

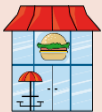



# UNIT ECONOMICS



INDIA

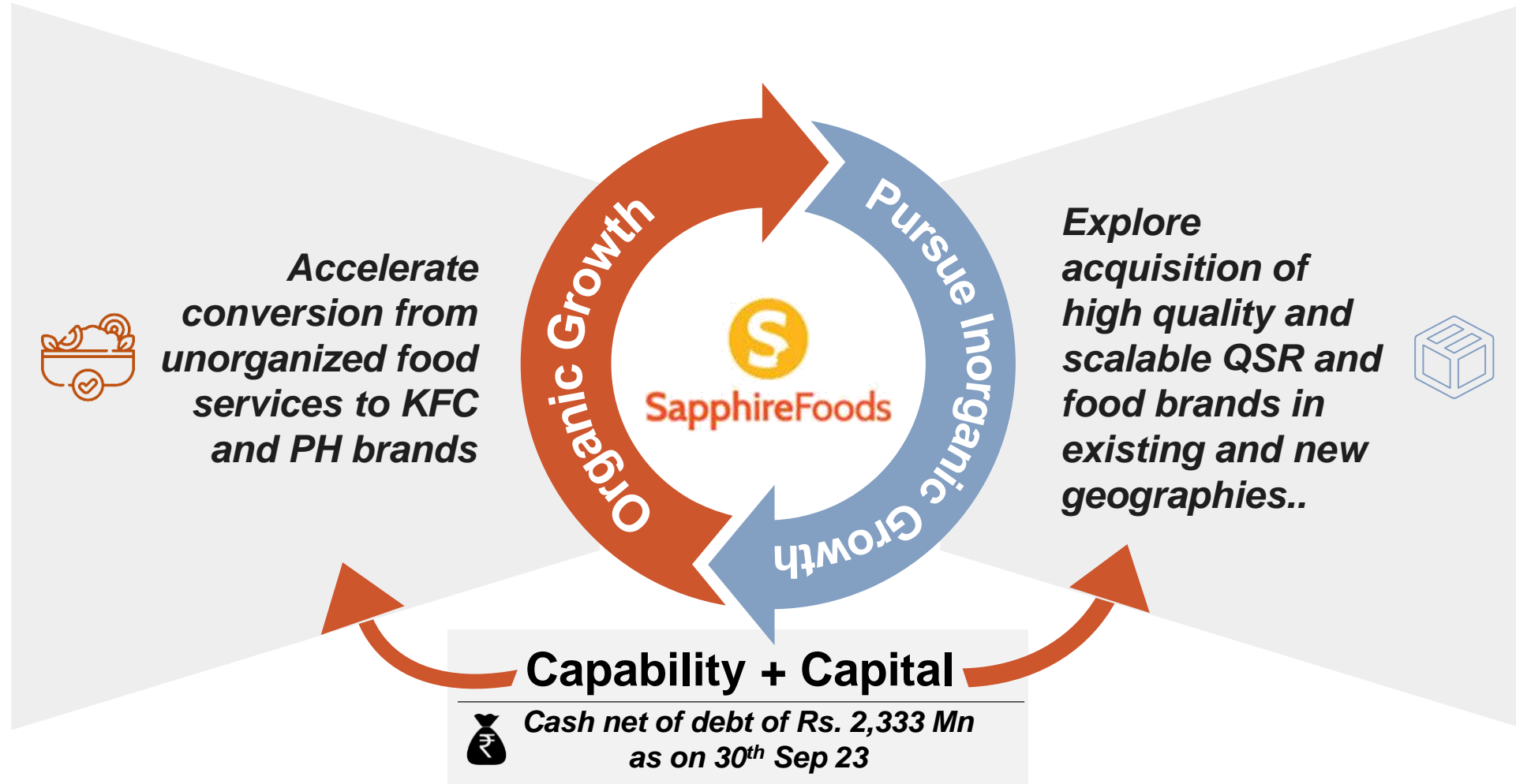


INDIA

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

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


# DJSI ESG RATINGS

## S&P CORPORATE SUSTAINABILITY ASSESSMENT



S&P Global ESG  
Score

# 42

Data Availability:  Very High

Methodology Year: 2023

Updated annually or in  
response to major  
developments

<https://www.spglobal.com/esg/scores/results?cid=6578587>  
<https://www.spglobal.com/esg/scores/results?cid=6578587>

- **1<sup>st</sup> amongst QSR brands in India**
- **95<sup>th</sup> Percentile Ratings amongst Global QSR companies**
- **Key Areas of Impact:**
  - a. Human Capital Development
  - b. Business Ethics
  - c. Customer Relationship Management

# 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

**EY**

### ESG

**Assisted by  
PWC**

# SHAREHOLDING PATTERN



Shareholding Pattern (As on 31st Dec 2023)	% Holding
Promoters & Promoter Group	<b>31.3</b>
Foreign Portfolio Investors / Non-Resident Indians	<b>30.5</b>
<b>Domestic</b>	<b>38.2</b>
Mutual Funds	25.5
Insurance Companies	4.7
Alternate Investment Funds	1.5
Resident Individuals	5.5
Others	1.0
<b>Total</b>	<b>100.0</b>



# THANK YOU

*Company:*



**Sapphire Foods India Limited**

CIN: L55204MH2009PLC197005

Mr. Rahul Kapoor

Email ID: [rahul.kapoor@sapphirefoods.in](mailto:rahul.kapoor@sapphirefoods.in)

[www.sapphirefoods.in](http://www.sapphirefoods.in)

*Investor Relations Partner:*



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