



Date: May 25, 2022

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 – 40001 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 (www.sapphirefoods.in/investors-relation/financial-information) under FY22 Q4 section.

Request you to kindly take the same on record.

Thanking you,

For Sapphire Foods India Limited
(formerly known as Sapphire Foods India Private Limited)

Sachin Dudam
Company Secretary and Compliance Officer

Encl: a/a



SAPPHIRE FOODS INDIA LIMITED



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⁾



₹ **17,154 mn** FY22 Restaurant Sales



18.9%* FY22 EBITDA margin
₹ **3,248 MN*** FY22 EBITDA ⁽²⁾



21.0% Q422 EBITDA margin
₹ **1,036 MN** Q4FY22 EBITDA



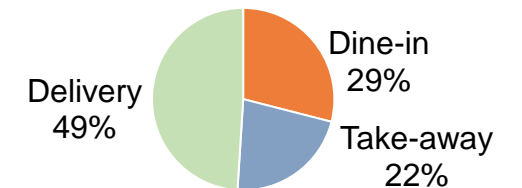
579 Total Restaurants Across India, Sri Lanka and Maldives ⁽²⁾



264 KFC Restaurants ⁽²⁾
310 Pizza Hut Restaurants ⁽²⁾
5 Taco Bell Restaurants ⁽²⁾



Omni Channel Mix ⁽³⁾



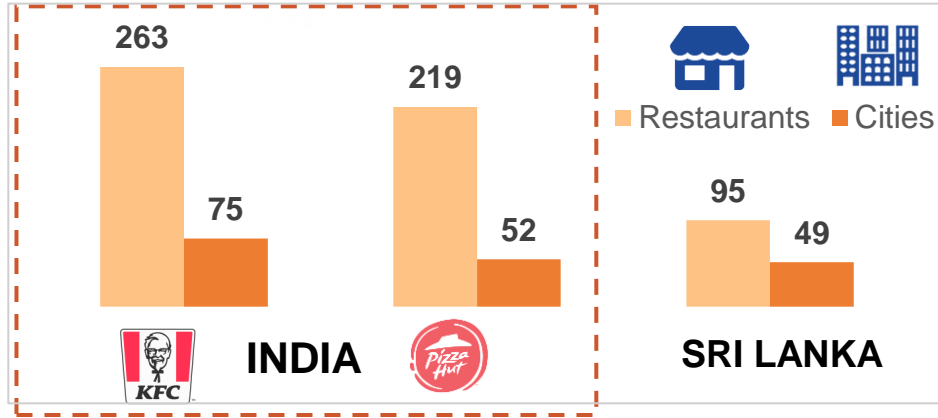
Source: Company data, Technopak industry report

(1) In terms of Restaurant Sales for FY21 and number of restaurants operated as of March 31, 2021;; (2) As of March 31, 2022; (3) Pertains to FY22

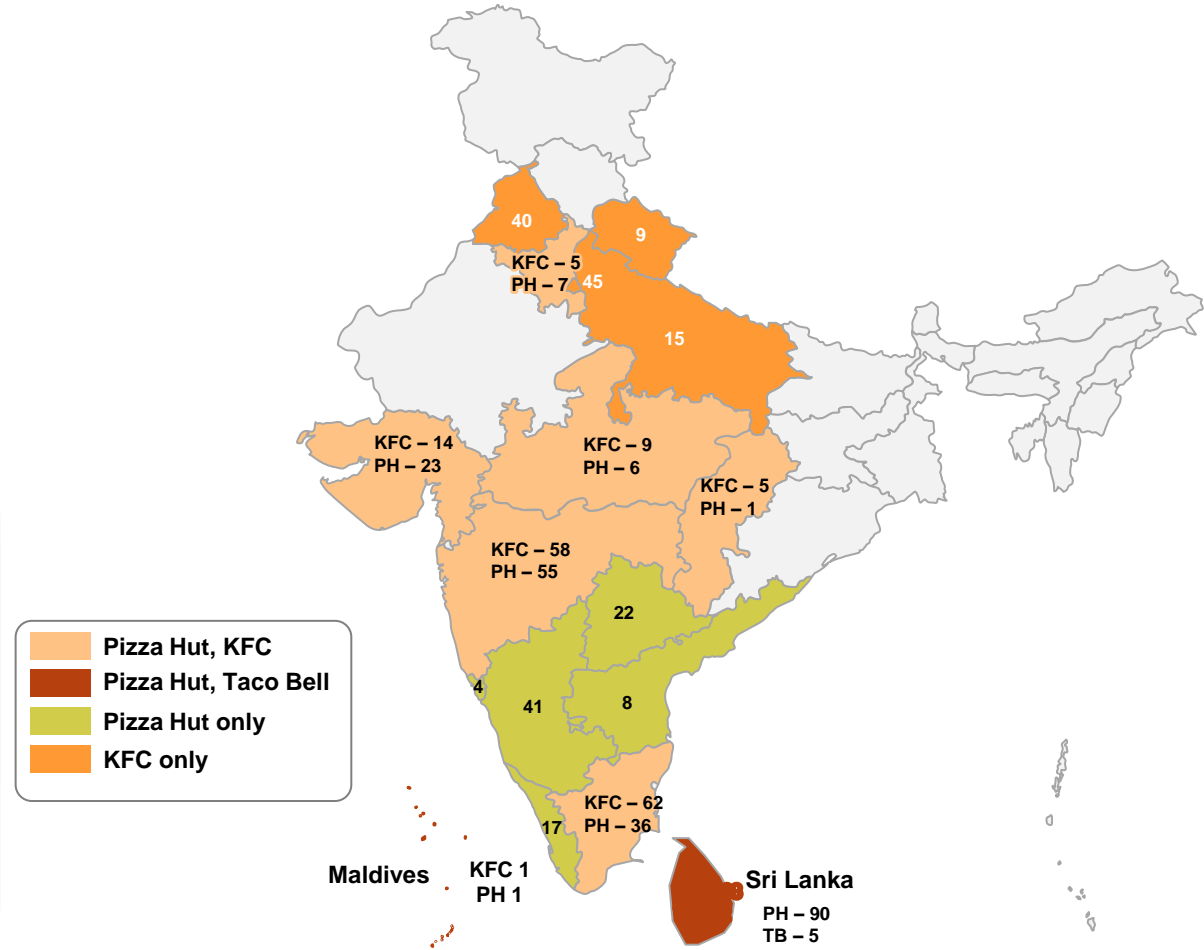
*Annual figures include additional incentives of 1.1% accrued from Apr-Dec 21 and full year ESOP cost of 2.0%

JOURNEY OF SAPPHIRE FOODS

BUILT A PLATFORM OF 579 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

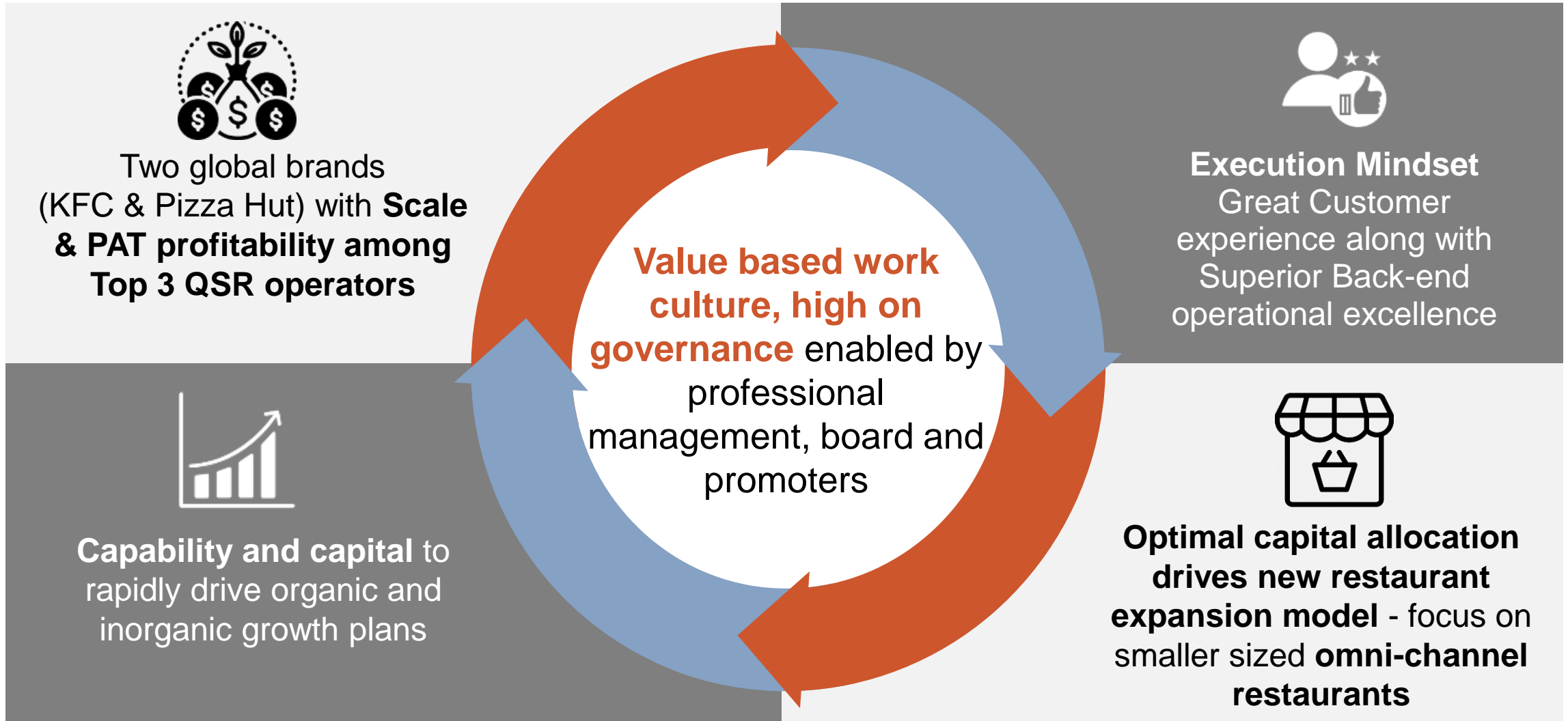
KFC and Pizza Hut present in 5 and 6 of the Top 8 cities of India respectively

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

20 Cities where 241 restaurants of both KFC and Pizza Hut are operated

Source: Company data, Technopak Industry Report
 (1) As of March 31, 2022; (2) GDP contribution of states in FY19 where Pizza Hut and KFC restaurants are located; (3) In FY20

THE SAPPHIRE STORY













FINANCIAL OVERVIEW

SUMMARY CONSOLIDATED FINANCIALS

Q4 & FY22



	Q4 FY22		FY22	
Restaurant Sales ₹ mn	4,943	▲ 46%	17,154	▲ 69%
EBITDA ₹ mn	1,036	▲ 66%	3,248 *	▲ 82%
EBITDA %	21.0%	▲ 260 bps	18.9%*	▲ 130 bps
PAT %	5.4%		2.7%*	
Restaurant Additions	INDIA  	LANKA  	INDIA  	LANKA  
	13 10	6 0	60 57	22 3
	TOTAL	29	TOTAL	142

Despite Q1 and Q4 FY22 being impacted by operational disruptions due to Covid pandemic, we delivered our best financial performance in FY22

In Q4 FY22

- Revenue grew in KFC by 43%, Pizza Hut by 33% and Sri Lanka business by 82%
- Restaurant EBITDA; Overall 18.3% (up 30 bps), KFC 19.0%, Pizza Hut 11.5%, and Sri Lanka 24.2%
- Company Adjusted EBITDA; 12.9% (up 470 bps)
- Company EBITDA; 21.0% (up 260 bps)
- PAT; 5.4% (Last year loss of 4.1%)

29 restaurant additions. Total restaurant count at 579

Strong Consolidated Balance Sheet: Cash (net of debt) of ~ ₹ 3990 Mn and Negative Working Capital

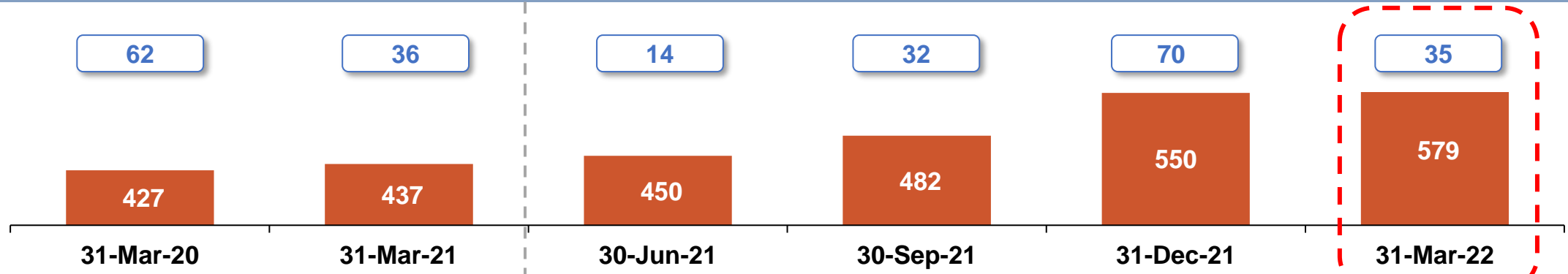
*Annual figures include additional incentives of 1.1% accrued from Apr-Dec 21 and full year ESOP cost of 2.0%

OPERATIONAL & FINANCIAL OVERVIEW



NUMBER OF RESTAURANTS

Gross Restaurant Additions

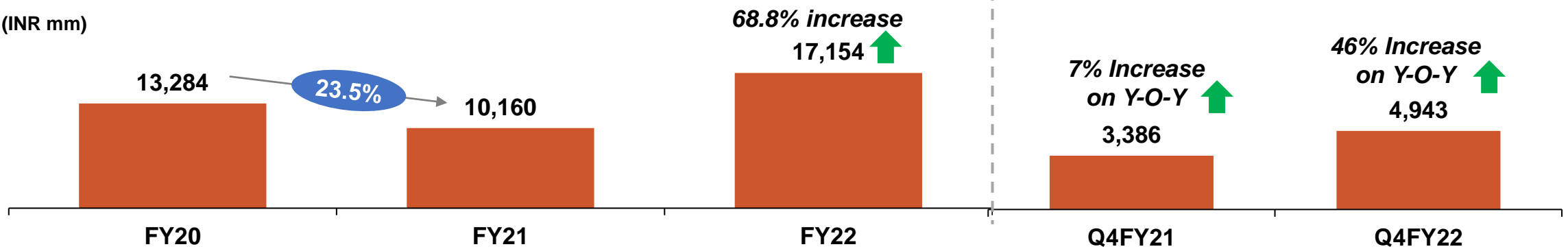


Restaurant Closures



RESTAURANT SALES

(INR mm)

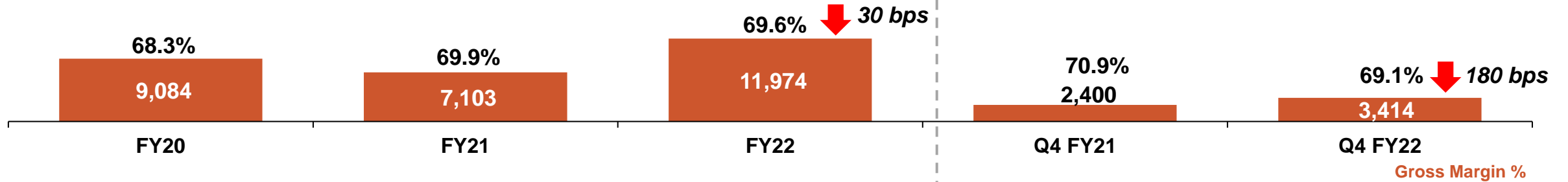


PROFITABILITY OVERVIEW



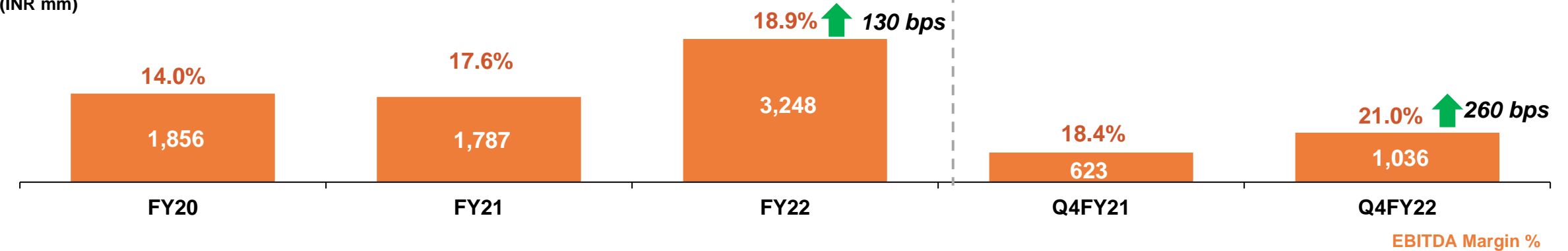
GROSS MARGIN

(INR mm)



EBITDA

(INR mm)



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 49% in FY22

Source: Company data

* Annual figures include additional incentives of 1.1% accrued from Apr-Dec 21 and full year ESOP cost of 2.0%



SEGMENTAL PERFORMANCE

CORE COMPOSITION OF OUR BUSINESS: KFC INDIA



	AS OF MAR 31, 2020 / For FY20	AS OF MAR 31, 2021 / For FY21	AS OF MAR 31, 2022 / For FY22	AS OF MAR 31, 2022 / For Q4 FY22
Total Restaurant Count	187	203	263	263
Average Daily Sales per Restaurant (INR'000s)	130	106	130	132
Restaurant Related Revenue (in INR mm)	7,753	5,897 24%	10,349 75%	2,966 43% YoY
Restaurant EBITDA (in %)	13.0%	14.0% 100 bps	19.5% 550 bps [18.7]*	19.0% 90 bps YoY

Net addition of **60 restaurants** in FY22

Source: Company data

*EBITDA after normalizing additional incentives of 0.8% accrued from Apr-Dec21

CORE COMPOSITION OF OUR BUSINESS: PIZZA HUT INDIA



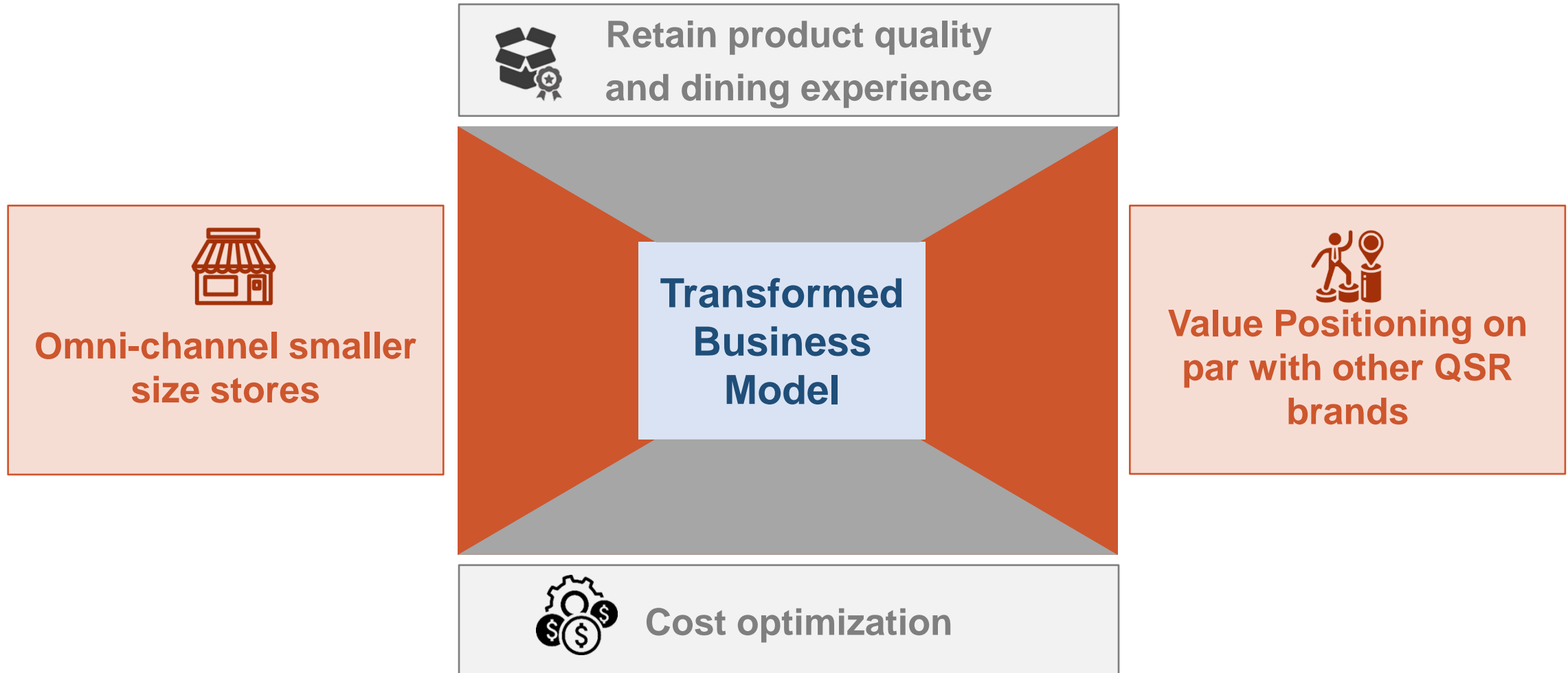
	AS OF MAR 31, 2020 / For FY20	AS OF MAR 31, 2021 / For FY21	AS OF MAR 31, 2022 / For FY22	AS OF MAR 31, 2022 / For Q4 FY22
Total Restaurant Count	174	162	219	219
Average Daily Sales per Restaurant (INR'000s)	58	48	57	55
Restaurant Related Revenue (in INR mm)	3,344	2,218 34%	3,710 67%	1,032 33% YoY
Restaurant EBITDA (in %)	7.2%	5.0% 220 bps	13.4% 840 bps [11.4%]*	11.5% 30 bps YoY

Net addition of **57 restaurants** in FY22

Source: Company data

*EBITDA after normalizing additional incentives of 2.0% accrued from Apr-Dec 21

CORE COMPOSITION OF OUR BUSINESS: PIZZA HUT INDIA



CORE COMPOSITION OF OUR BUSINESS: SRI LANKA OPERATIONS



AS OF MAR 31, 2020
/ FOR FY20

AS OF MAR 31, 2021
/ FOR FY21

AS OF MAR 31, 2022
/ FOR FY22

AS OF MAR 31, 2022
/ FOR Q4 FY22

	AS OF MAR 31, 2020 / FOR FY20	AS OF MAR 31, 2021 / FOR FY21	AS OF MAR 31, 2022 / FOR FY22	AS OF MAR 31, 2022 / FOR Q4 FY22
Total Restaurant Count	64	70	95	95
Average Daily Sales per Restaurant (INR'000s)	92	94	108	112
Restaurant Related Revenue (in INR mm)	2,038	1,966 4%	2,983 52% (INR) 60% (LKR)	917 82% YoY (INR) 105% YoY (LKR)
Restaurant EBITDA (in %)	16.2%	19.6% 340 bps	23.2% 360 bps [22.0%]*	24.4% 190 bps

Net addition of **25 restaurants** in FY22

Source: Company data

*EBITDA after normalizing additional incentives of 1.2% accrued from Apr-Dec 21



KEY CONSIDERATIONS

KEY CONSIDERATIONS



- 1 Large addressable food service market driven by macro fundamentals and industry tailwinds
- 2 Leading QSR brands with differentiated product and value offerings
- 3 Strong relationship with YUM
- 4 Continuous focus on delivering great customer experience on quality and value parameters
- 5 Omni channel platform and enhanced digital ecosystem
- 6 Operational excellence led by in-house supply chain, financial processes & technology infrastructure
- 7 Scalable new restaurant economic model for expansion
- 8 Values based work culture enabled by experienced leadership, supported by marquee investors

LARGE ADDRESSABLE FOOD SERVICE MARKET DRIVEN BY MACRO FUNDAMENTALS AND INDUSTRY TAILWINDS

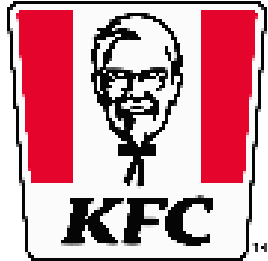


ORGANIZED FOOD SERVICES
MARKET IS EXPECTED TO GROW
AT A CAGR OF 15% FROM
FY20-25 AND PROJECTED TO
REACH INR 3,189 BN BY FY25...



QSR PROJECTED TO
GROW FASTER
(CONTRIBUTION FROM 47% IN
FY20 TO 54% IN FY25 OF
CHAIN FOOD SERVICES MARKET)⁽¹⁾

LEADING QSR BRANDS WITH DIFFERENTIATED PRODUCT AND VALUE OFFERINGS



Largest QSR chain serving chicken in India and the world ⁽¹⁾



Second largest pizza chain in India and largest pizza chain in Asia ⁽²⁾

Source: Technopak industry report

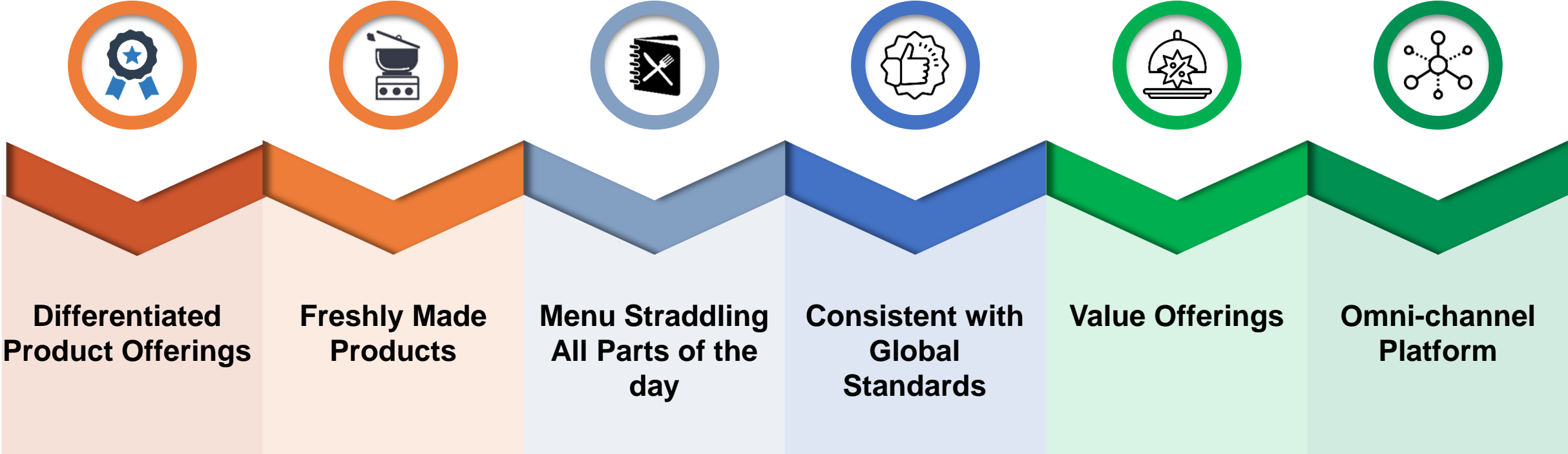
Note: Metrics for KFC and Pizza Hut are at an aggregate level

(1) In India - in terms of restaurant count as of March 31, 2021 and in the world in terms of global retail sales as of December 31, 2020; (2) Second largest pizza chain in India In terms of revenue in FY20 and largest pizza chain in Asia in terms of store count as of December 31, 2020;

LEADING QSR BRANDS WITH DIFFERENTIATED PRODUCT AND VALUE OFFERINGS



KEY PILLARS OF OUR CUSTOMER PROPOSITION



Source: Company data

STRONG RELATIONSHIP WITH YUM



YUM BRANDS IS ONE OF THE GLOBAL FOOD BRAND OPERATORS WITH MORE THAN 50,000 RESTAURANTS WORLDWIDE (1)

Access to YUM's global expertise




Economies of scale because of 'One System' commercial negotiations

STRONG RELATIONSHIP WITH YUM



FRANCHISEE
ARRANGEMENT

Under franchisee arrangement YUM has provided us rights to operate stores as one of the franchisee operator in Indian subcontinent in the specified Territories



TERM

With respect to each store is 10 years (Original term) + 10 years (Renewal term)



DEVELOPMENT
AGREEMENT (DA)

Pursuant to these we are required to open minimum number of stores and in return we are eligible for certain incentives



ROYALTY AND
MARKETING

Royalty fee is 6 to 6.3% of Net sales and Marketing spend 6% (including 1% Local Store marketing) of Net sales. This doesn't include waiver benefit given to us by YUM (at its sole discretion)



ACQUIRING / OPERATING
NON-YUM BRANDS

Allowed in non-competing product categories with YUM's prior approval

OMNI CHANNEL PLATFORM AND ENHANCED DIGITAL ECOSYSTEM



OMNI CHANNEL ALLOWS OPTIMAL USE OF ASSETS

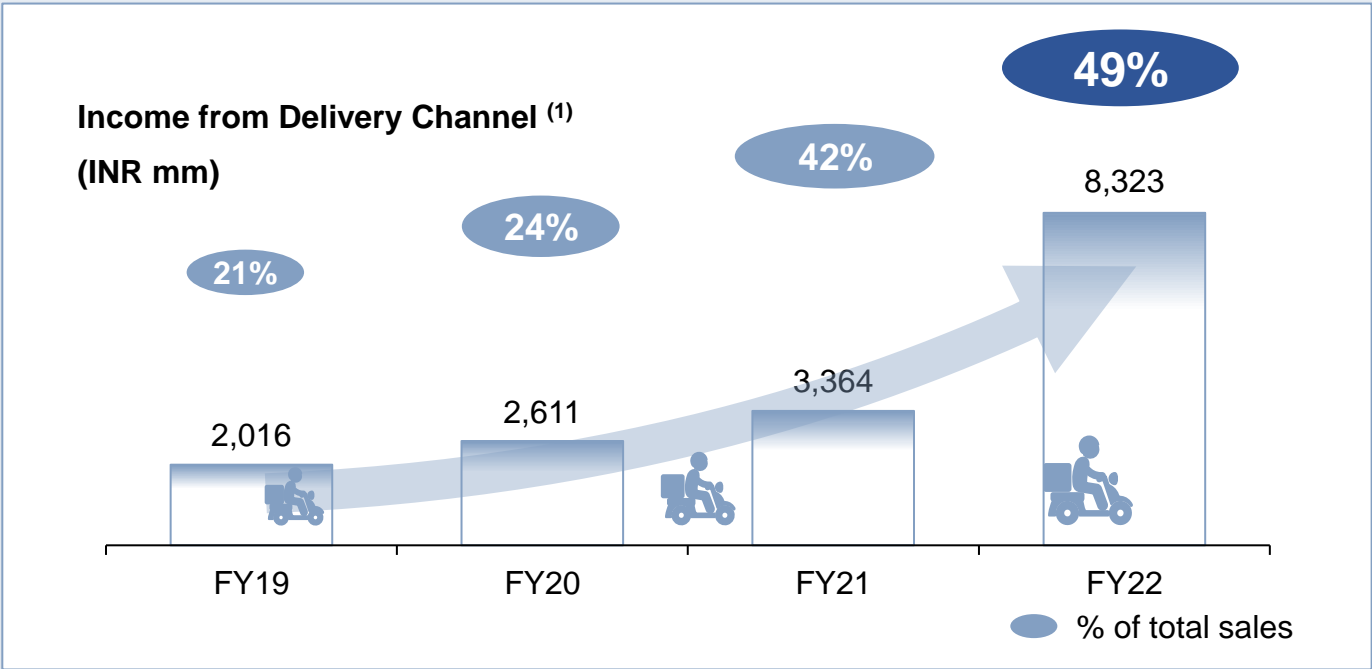
DINE IN - CONTEMPORARY CUSTOMER EXPERIENCE



TAKE AWAY - CONTACTLESS ORDERING AND PAYMENT GATEWAY



DELIVERY - HYBRID MODEL OF OWN AND THIRD-PARTY AGGREGATORS



Source: Company data

(1) Includes both own delivery and delivery through third party aggregators

OPERATIONAL EXCELLENCE LED BY IN-HOUSE SUPPLY CHAIN, FINANCIAL CONTROLS AND TECHNOLOGY INFRASTRUCTURE



FOOD SAFETY PROCESS



Global standards of KFC, Pizza Hut and Taco Bell followed for system-wide operating procedures and hygiene

SUPPLY CHAIN INITIATIVES

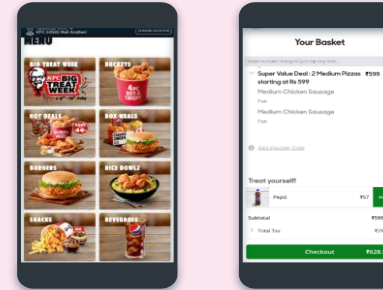


Direct relationships with vendor partners



'One System' commercial negotiations jointly with YUM and its other franchisee in India

TECHNOLOGICAL INFRASTRUCTURE



Restaurant-level SAP ERP system and a new POS system called LS Retail ⁽¹⁾

FINANCIAL CONTROLS AND GOVERNANCE



Regular audits at restaurants



Data analytics team at corporate level

Source: Company data

(1) ERP: Enterprise Resource Planning, POS: Point of Sale






CALIBRATED NEW RESTAURANT ECONOMIC MODEL FOR EXPANSION



INDIA



INDIA

	INDIA		INDIA	
	As of 31-Mar-19	Recent	As of 31-Mar-19	Recent
Avg Size of Restaurant (in Sq. ft.) 	2,736	~ 1,500 ⁽¹⁾	2,427	~ 1,300 ⁽¹⁾
		 Reduction in Avg Restaurant size ~45% ⁽²⁾		 Reduction in Avg Restaurant size ~46% ⁽²⁾
	<u>FY19</u>	<u>FY22</u>	<u>FY19</u>	<u>FY22</u>
Average Daily Sales per Restaurant (in ₹ '000) 	125	130	61	57
	<u>FY19</u>	<u>FY22</u>	<u>FY19</u>	<u>FY22</u>
Restaurant EBITDA % 	12.7%	19.5%	7.5%	13.4%

Source: Company data

(1) Average size of the recently opened or signed restaurants; (2) Average size of the recently opened or signed restaurant in comparison to average size of restaurants as of March 31, 2019

EXPERIENCED LEADERSHIP SUPPORTED BY MARQUEE INVESTORS



TOP MANAGEMENT



Sanjay Purohit
Whole Time Director
and Group CEO –
Sapphire Foods

- Levi Strauss & Co India
- Cadbury India Limited
- Asian Paints (India) Limited

30+

Consumer Products and Retail



Deepak Taluja
CEO – KFC

- Cafe Coffee Day
- Domino's Pizza India Limited
- Fun Multiplex Private Limited

24+

QSR and Entertainment Retail



Vikrant Vohra
CEO – Pizza Hut

- Pune Marriott Hotel & Convention Centre
- Yum! Brands, Inc.
- Hyatt Regency
- Indian Hotels Co Limited

19+

Hospitality and QSR chain



Vijay Jain
CFO

- Shoppers Stop Limited
- HyperCity Retail (India) Limited
- Nicholas Piramal India Limited

18

Pharmaceutical, Consumer Products and Retail

Years of Experience

BOARD OF DIRECTORS



Sanjay Purohit
Whole time Director and
Group CEO



Sunil Chandiramani
Chairman and Independent
Director



Sumeet Narang
Non- Executive
Non- Independent Director



Kabir Thakur
Non- Executive
Non- Independent Director



Paul Robine
Non- Executive
Non- Independent Director



Deepa Wadhwa
Non- Executive
Independent Director



Vikram Agarwal
Non- Executive
Non- Independent Director

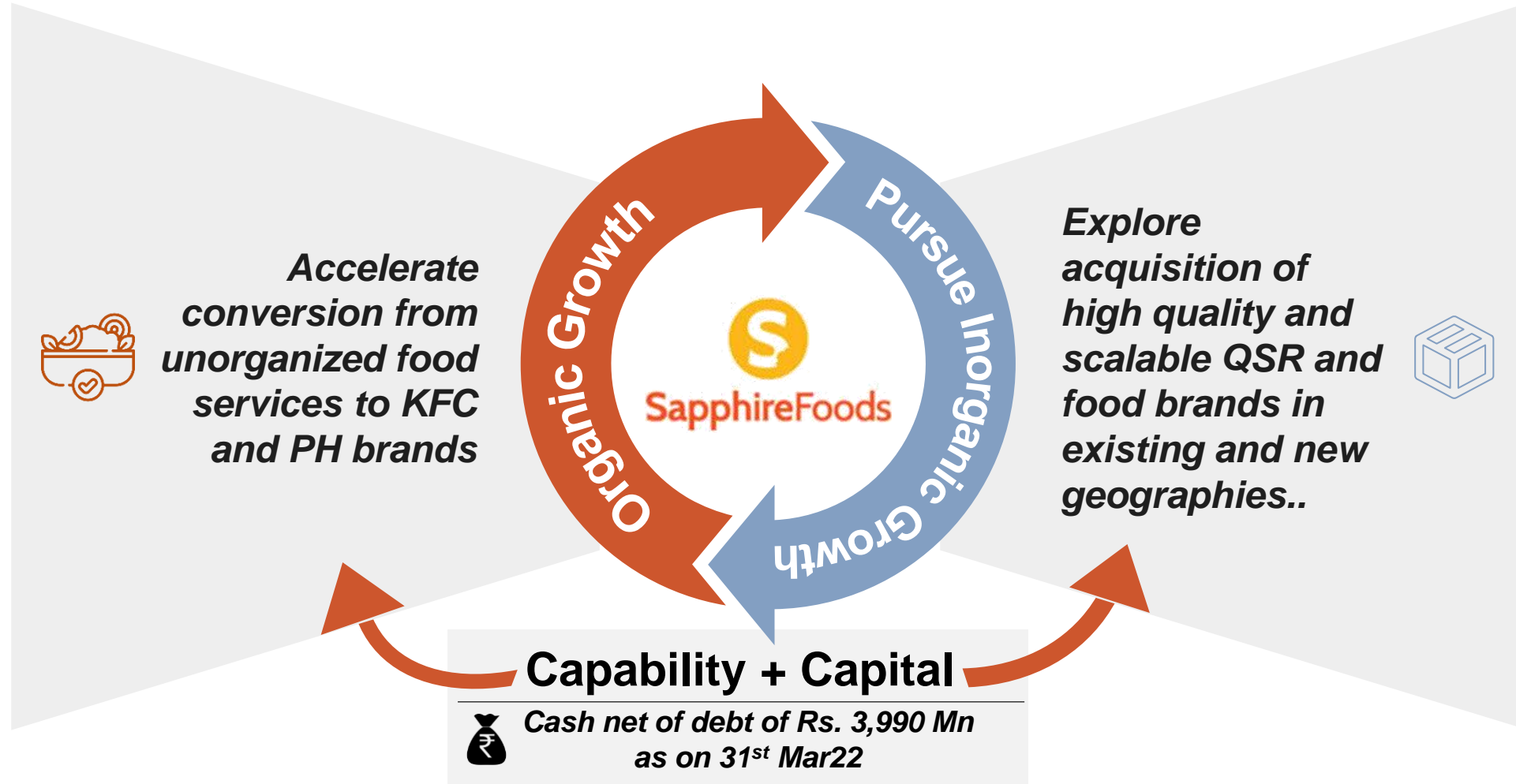


Anu Aggarwal
Non- Executive
Independent Director



Vinod Nambiar
Non-Executive
Non- Independent Director

WELL POSITIONED TO CAPTURE FUTURE OPPORTUNITIES





THANK YOU

Company:



Sapphire Foods India Limited

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