



Date: 15<sup>th</sup> May 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 Q4 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 – MAY'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>



₹ **25,880 MN** FY24 Restaurant Sales  
₹ **6,297 MN** Q4FY24 Restaurant Sales



**17.5% [18.4%]** Q4FY24 EBITDA margin  
₹ **1,102 MN [1,030]** Q4FY24 EBITDA



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



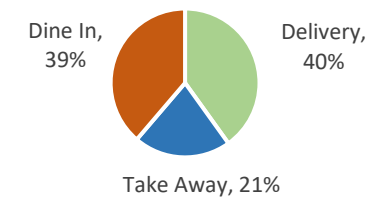
**872** Total Restaurants Across India, Sri Lanka and Maldives <sup>(2)</sup>



**431 KFC** Restaurants <sup>(2)</sup>  
**432 Pizza Hut** Restaurants <sup>(2)</sup>  
**9 Taco Bell** Restaurants <sup>(2)</sup>



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

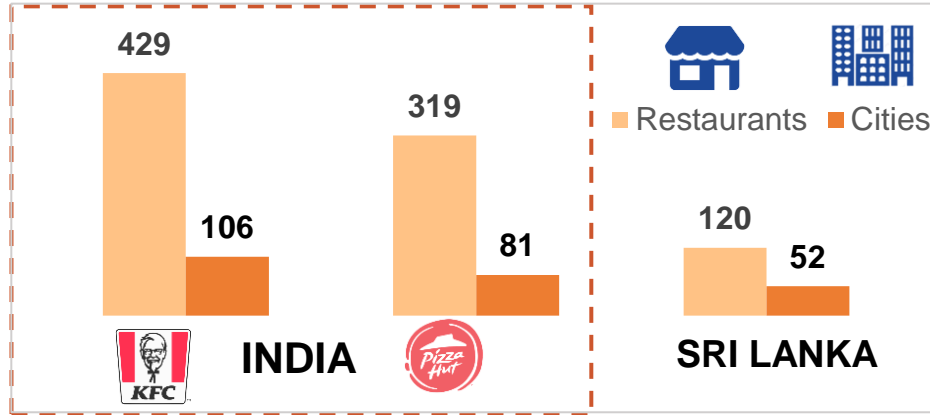


Source: Company data, Technopak industry report

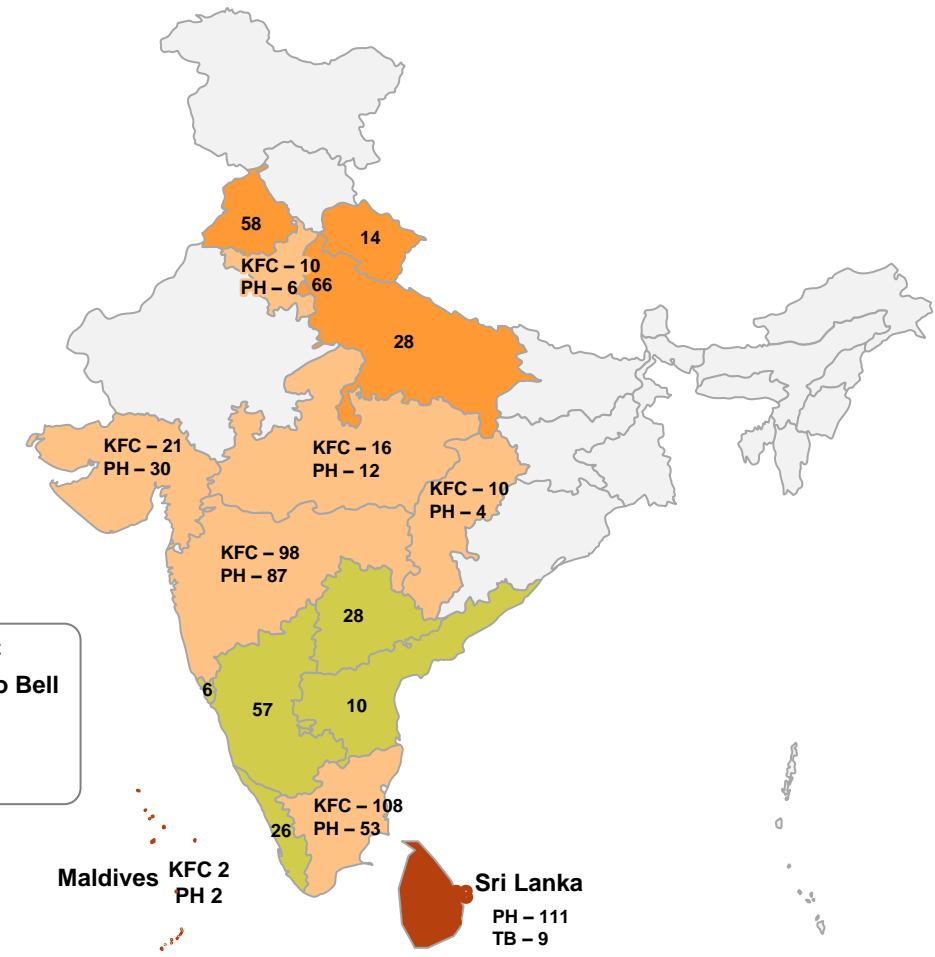
(1) In terms of Restaurant Sales for FY21 and number of restaurants operated as of March 31, 2021; (2) As of Mar 31, 2024; (3) Pertains to Q4 FY24

# JOURNEY OF SAPPHIRE FOODS

## BUILT A PLATFORM OF 872 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

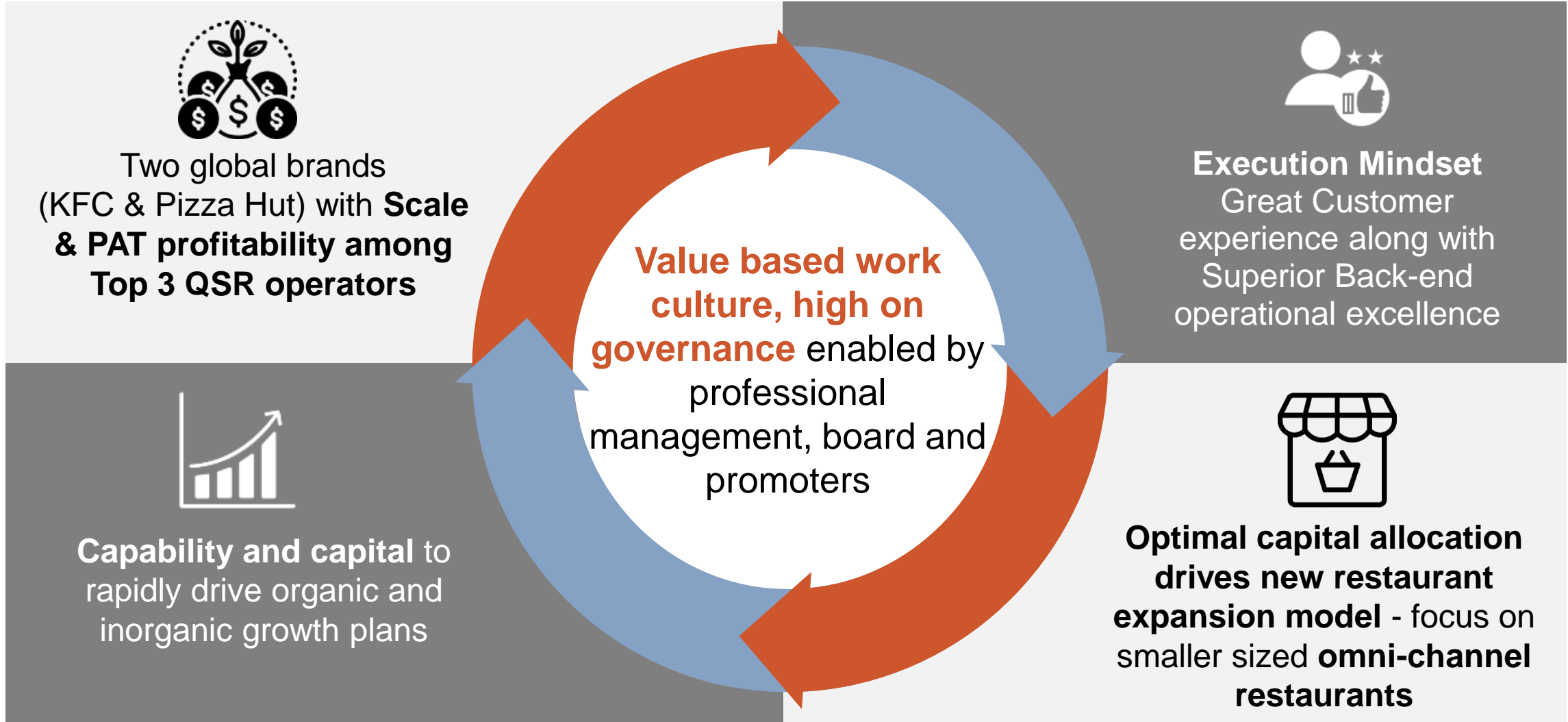
**KFC and Pizza Hut present in 5 and 6 of the Top 8 cities of India respectively**

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

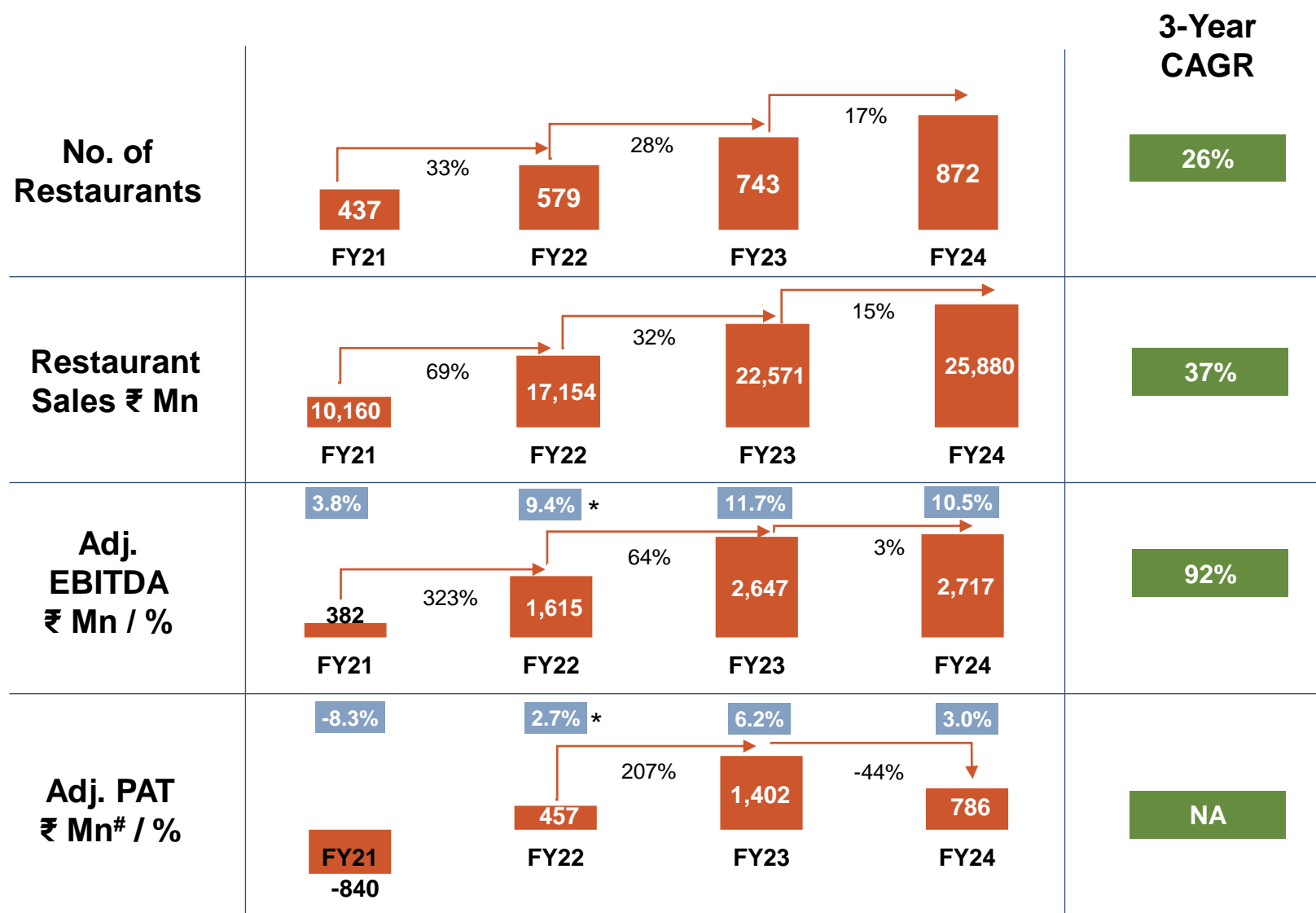




# FINANCIAL OVERVIEW



# 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 [ $\uparrow$  15%], Adj. EBITDA margin [10.5%] & growth [ $\uparrow$  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 95<sup>th</sup> percentile amongst QSR globally on Dow Jones Sustainability Index (DJSI).
- We achieved our best ever employee engagement score since inception and placed at 88<sup>th</sup> 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

## Q4 & FY24



Particulars	Q4 FY24	Q4 FY23	Change YoY	FY24	FY23	Change YoY
Restaurant Sales ₹ mn	6,297	5,592	▲ 13%	25,880	22,571	▲ 15%
Adj. EBITDA ₹ mn	544	563	▼ -3%	2,717	2,647	▲ 3%
%	8.6%	10.1%	▼ -150 bps	10.5%	11.7%	▼ -120 bps
EBITDA ₹ mn	1,102	1,030	▲ 7%	4,718	4,343	▲ 9%
%	17.5%	18.4%	▼ -90 bps	18.2%	19.2%	▼ -100 bps
PBT ₹ mn	8	123	▼ -93%	699	1,084	▼ -36%
%	0.1%	2.2%	▼ -210 bps	2.7%	4.8%	▼ -210 bps
PAT ₹ mn #	20	1,355	▼ Ref Note	520	2,332	▼ Ref Note
%	0.3%	24.2%	▼	2.0%	10.3%	▼
Restaurant Additions	22	28		129	164	

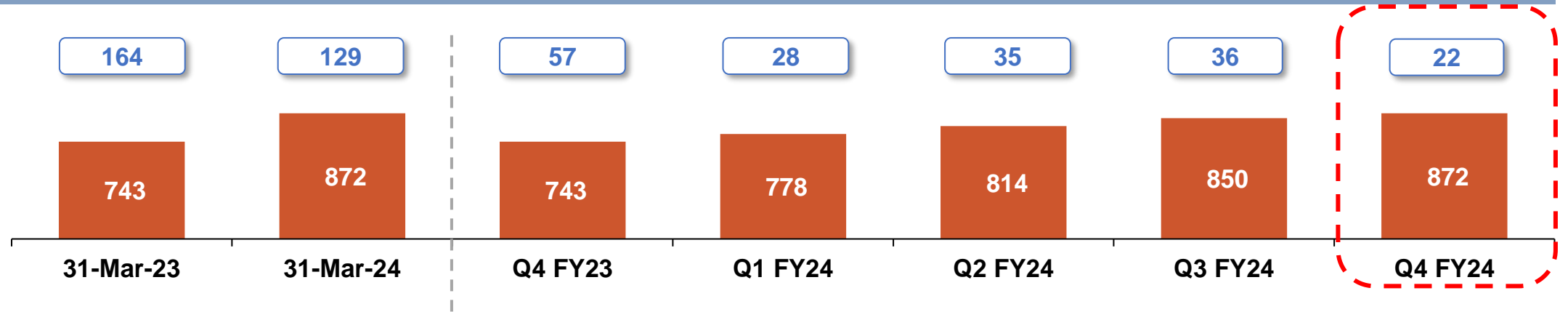
**Note:** In FY23 the company recognized Deferred Tax Credit (DTC) of ₹1,253 mn majorly towards carried forward losses in SFIL. This was recognized in Q4 FY23. Due to this reason, PAT for Q4FY24/ Full Year FY 24 is not comparable with Q4 FY23 /Full Year FY23. Adj PAT for Q4 FY24 is ₹76 mn (1.2%) and FY24 is ₹786 Mn (3.0%).  
#Adj. EBITDA and Adj. PAT is before Ind-AS 116 adjustments

# OPERATIONAL & FINANCIAL OVERVIEW



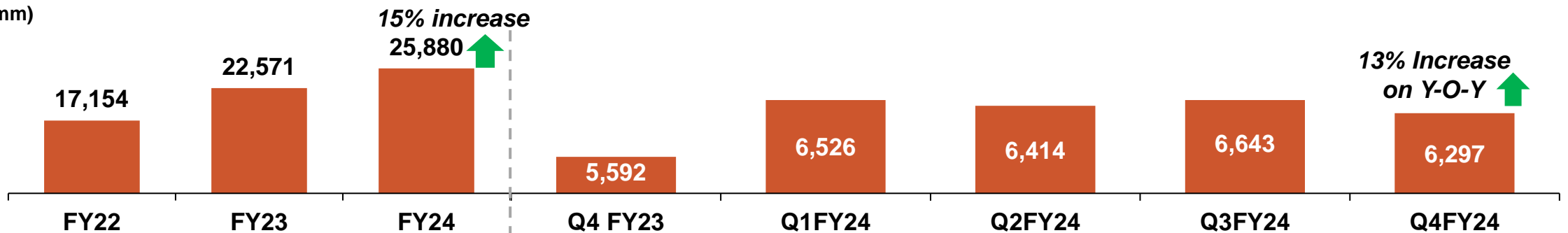
## NUMBER OF RESTAURANTS

Net Restaurant Additions



## RESTAURANT SALES

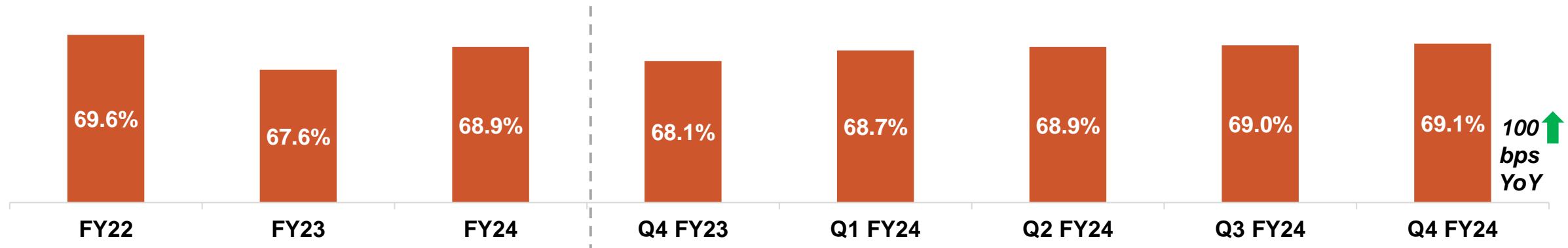
(INR mm)



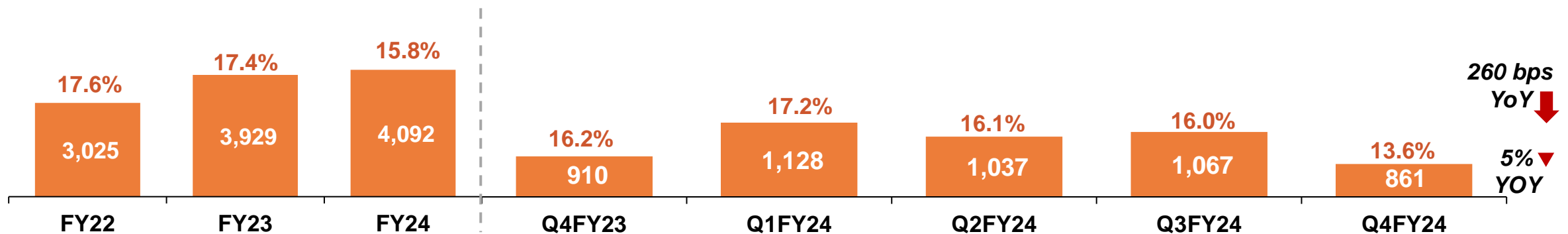
# PROFITABILITY OVERVIEW



## 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



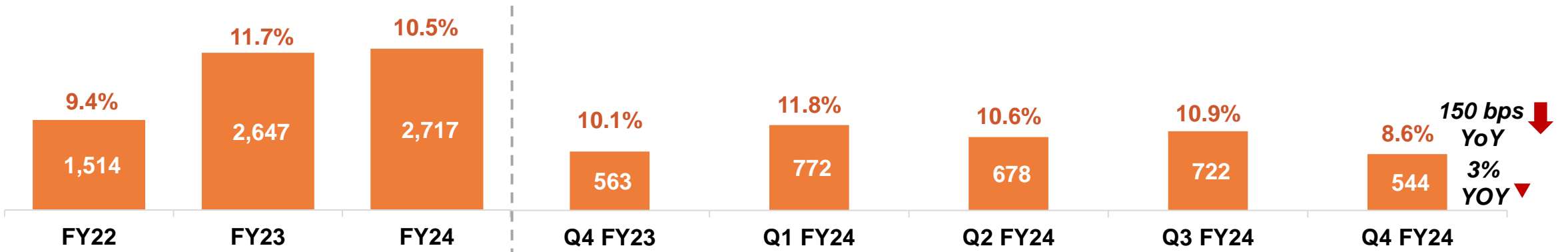
Increase in revenue from Delivery from 21% in FY19 to 40% in FY24

# Restaurant EBITDA is before Ind-AS 116 adjustments

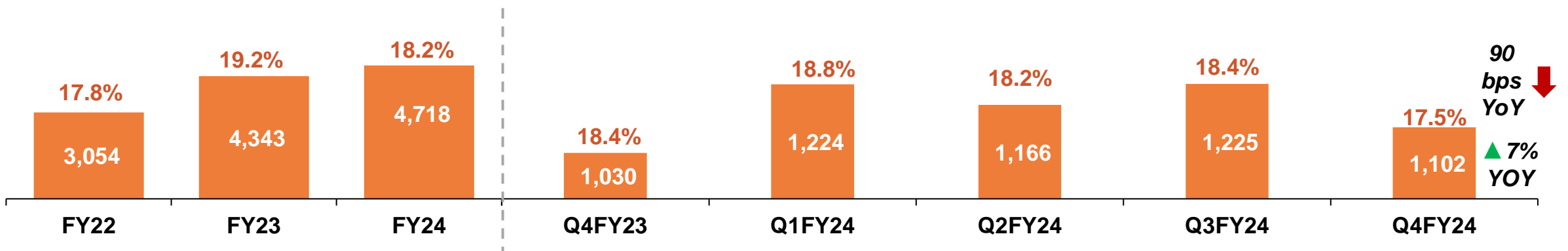
# PROFITABILITY OVERVIEW



## 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 40% in FY24

# Adj. EBITDA is before Ind-AS 116 adjustments





# 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
- International Burger Fest



## 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 MAR 31, 2024 / FOR FY24
Total Restaurant Count	203	263	341	429
Average Daily Sales per Restaurant (INR'000s)	106	130	135	125
Restaurant Related Revenue (in INR mm)	5,897  24%	10,349  75%	14,529  40%	17,157  18% YoY
Restaurant EBITDA (in %)	14.0%  100 bps	18.7%*  470 bps*	19.4%  70 bps	19.7%  30 bps YoY


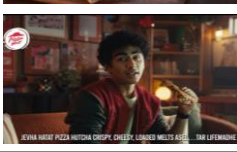

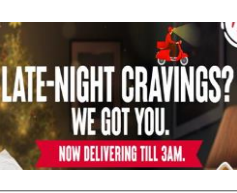

Net restaurant additions of **88** in FY24.

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
<b>A. Build Brand:</b>		
- Product Innovation		Launched Melts, Thin Crust Pizza and revamped Pasta range in Mar-24
- Enhanced Marketing Investments		Rolled out mass media campaign for Melts
<b>B. Grow Dine In / Home Service:</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>		Cautious expansion, ~3-5% Portfolio corrections in next 2 quarters & ~10% Refurbs in 2024

As communicated earlier, we have initiated actions on various fronts, however Brand revival will still take a few quarters.

# 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 MAR 31, 2024 / FOR FY24
Total Restaurant Count	162	219	286	319
Average Daily Sales per Restaurant (INR'000s)	48	57	58	46
Restaurant Related Revenue (in INR mm)	2218  34%	3,710  67%	5,214  41%	5,185  1% YoY
Restaurant EBITDA (in %)	5.0%  220 bps	11.4%  640 bps*	13.3%  190 bps	4.9%  840 bps YoY

Net restaurant additions of **33** in 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 MAR31, 2024 / FOR FY24

	AS OF MAR 31, 2021 / FOR FY21	AS OF MAR 31, 2022 / FOR FY22	AS OF MAR 31, 2023 / FOR FY23	AS OF MAR31, 2024 / FOR FY24
Total Restaurant Count	70	95	114	120
Average Daily Sales per Restaurant (INR'000s)	94	108	72	79
Restaurant Related Revenue (in INR mm)	1,966  4%	2,983  52% (INR) 60% (LKR)	2,716  9% (INR) 48% (LKR)	3,397  YoY 25% INR 8% (LKR)
Restaurant EBITDA (in %)	19.6%  340 bps	22.0%  240 bps*	14.8%  720 bps	13.7%  YoY 110 bps

Net restaurant additions of **6** in 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
Avg Size of Restaurant (in Sq. ft.) 	2,736	~ 1,500
		 Reduction in Avg Restaurant size ~45%

	As of 31-Mar-19	Current
Avg Size of Restaurant (in Sq. ft.) 	2,427	~ 1,200
		 Reduction in Avg Restaurant size ~45%

	FY19	FY23	FY24
Average Daily Sales per Restaurant (in ₹ '000) 	125	135	125

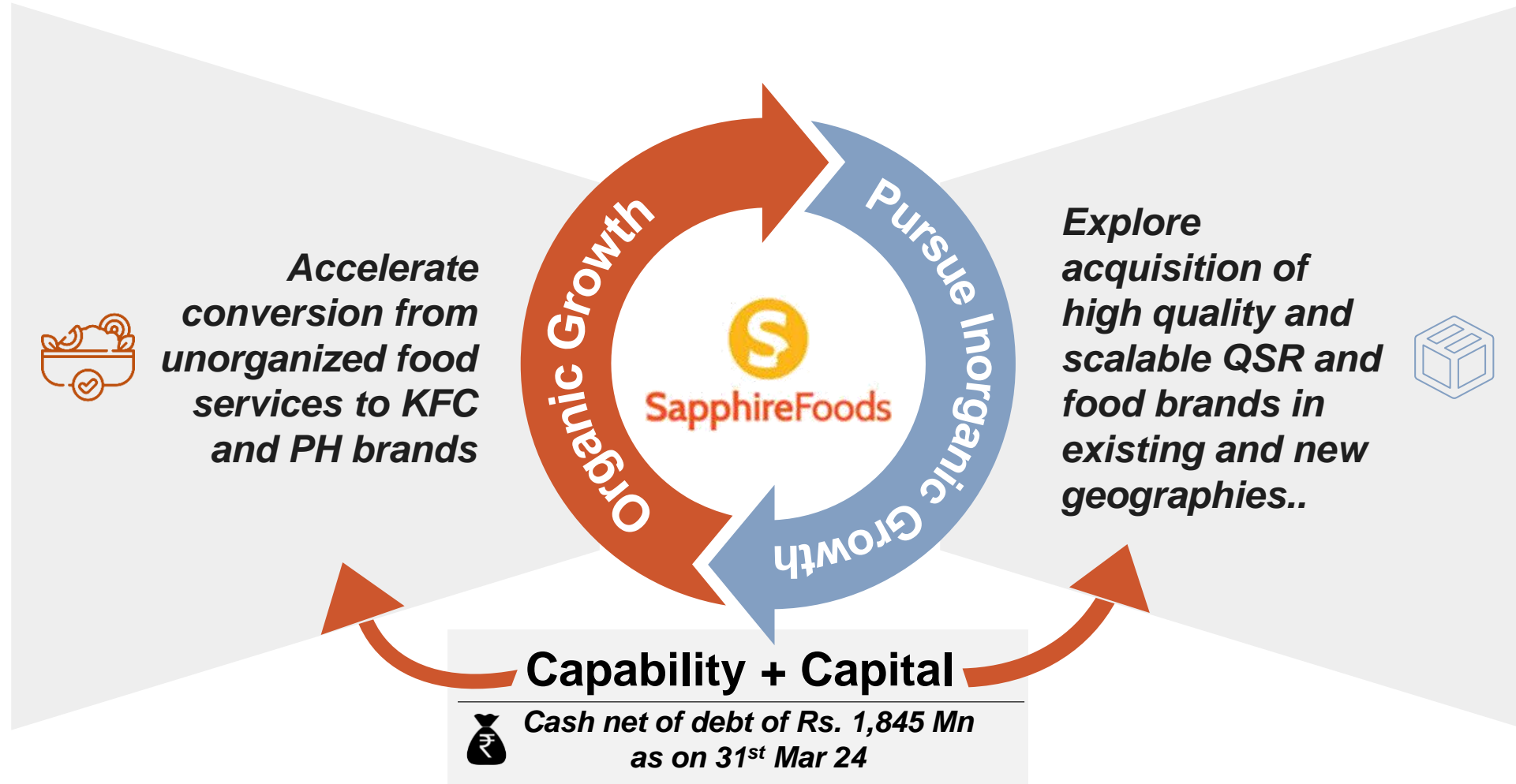
	FY19	FY23	FY24
Average Daily Sales per Restaurant (in ₹ '000) 	61	58	46

	FY19	FY23	FY24
Restaurant EBITDA % 	12.7%	19.4%	19.7%

	FY19	FY23	FY24
Restaurant EBITDA % 	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


# 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 Mar 2024)	% Holding
Promoters & Promoter Group	30.8
Foreign Portfolio Investors / Non-Resident Indians	30.5
Domestic – Mutual Funds Insurance Companies	31.0
AIF, Resident Individuals & Others	7.7
<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:*



**Orient Capital** (a division of Link Group)

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