



Date: November 08, 2023

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 FY24 Q2 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 – NOV'23



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⁾

 ₹ **6,414 MN** Q2 FY24 Restaurant Sales

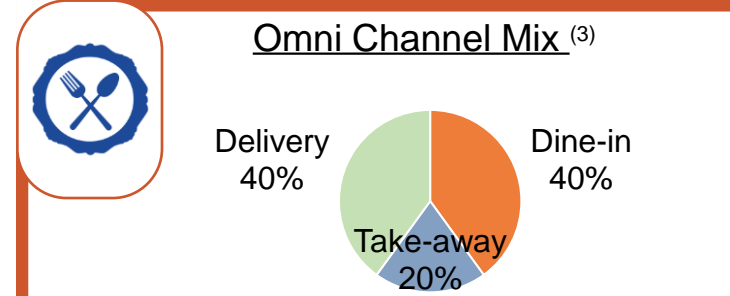
 **18.2% [18.4%]** Q2FY24 EBITDA margin
₹ **1,166 MN [1,032]** Q2FY24 EBITDA



 **18.5% [19.4%]*** 6MFY24 EBITDA margin
₹ **2,391 MN [2,146]*** 6MFY24 EBITDA

 **814** Total Restaurants Across India, Sri Lanka and Maldives ⁽³⁾

 **383 KFC** Restaurants ⁽²⁾
422 Pizza Hut Restaurants ⁽²⁾
9 Taco Bell Restaurants ⁽²⁾



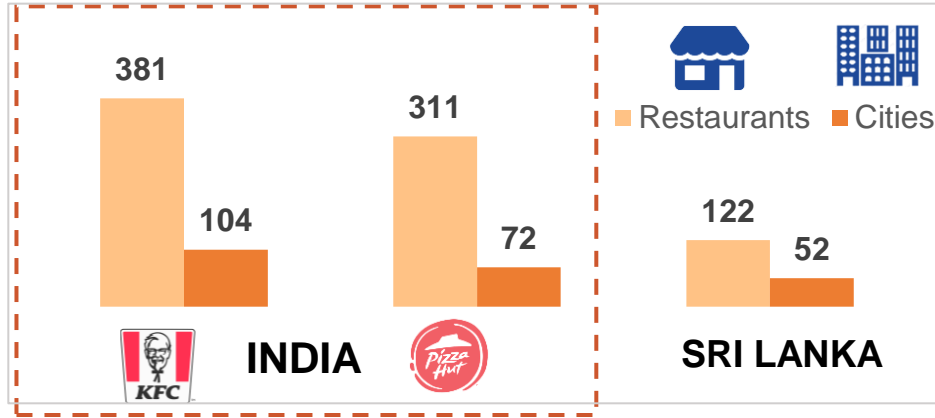
Source: Company data, Technopak industry report

*FY22 EBITDA% and ₹ value is Normalized for additional incentives accrued in that period

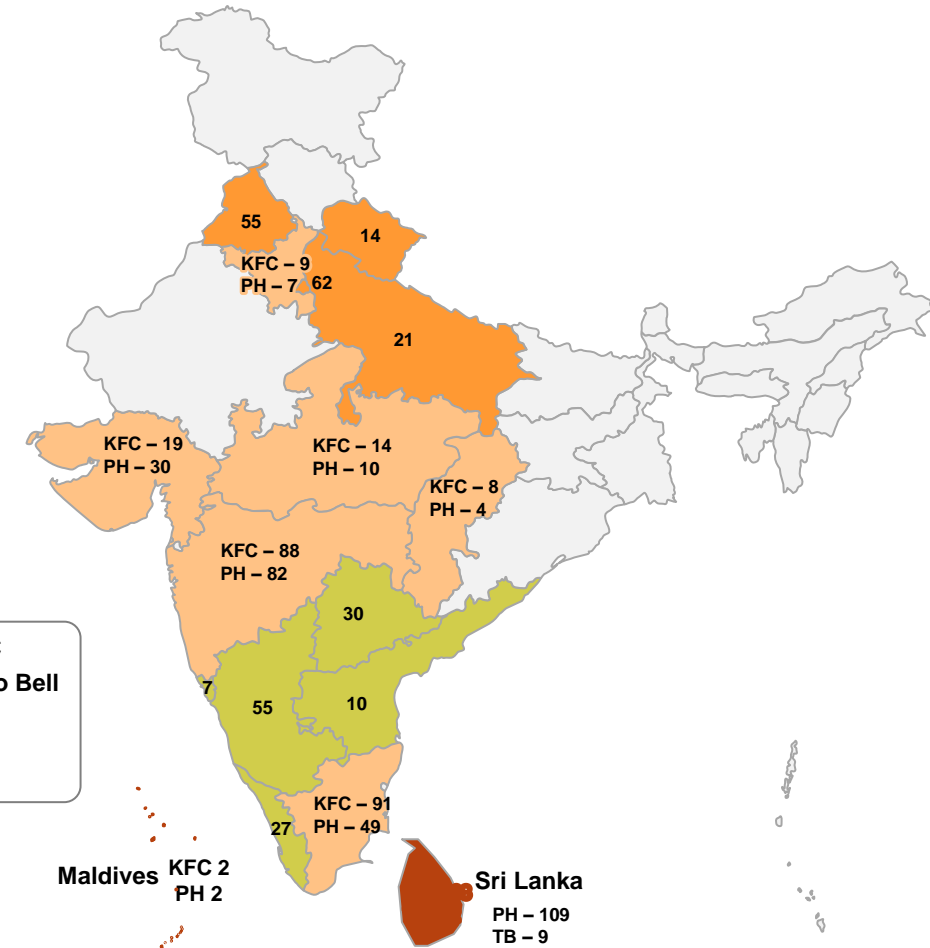
(1) In terms of Restaurant Sales for FY21 and number of restaurants operated as of March 31, 2021; (2) As of Sep 30, 2023; (3) Pertains to Q2 FY24

JOURNEY OF SAPPHIRE FOODS

BUILT A PLATFORM OF 814 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)

23 Cities where 344 restaurants of both KFC and Pizza Hut are operated

Source: Company data, Technopak Industry Report

(1) As of Sep 30, 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

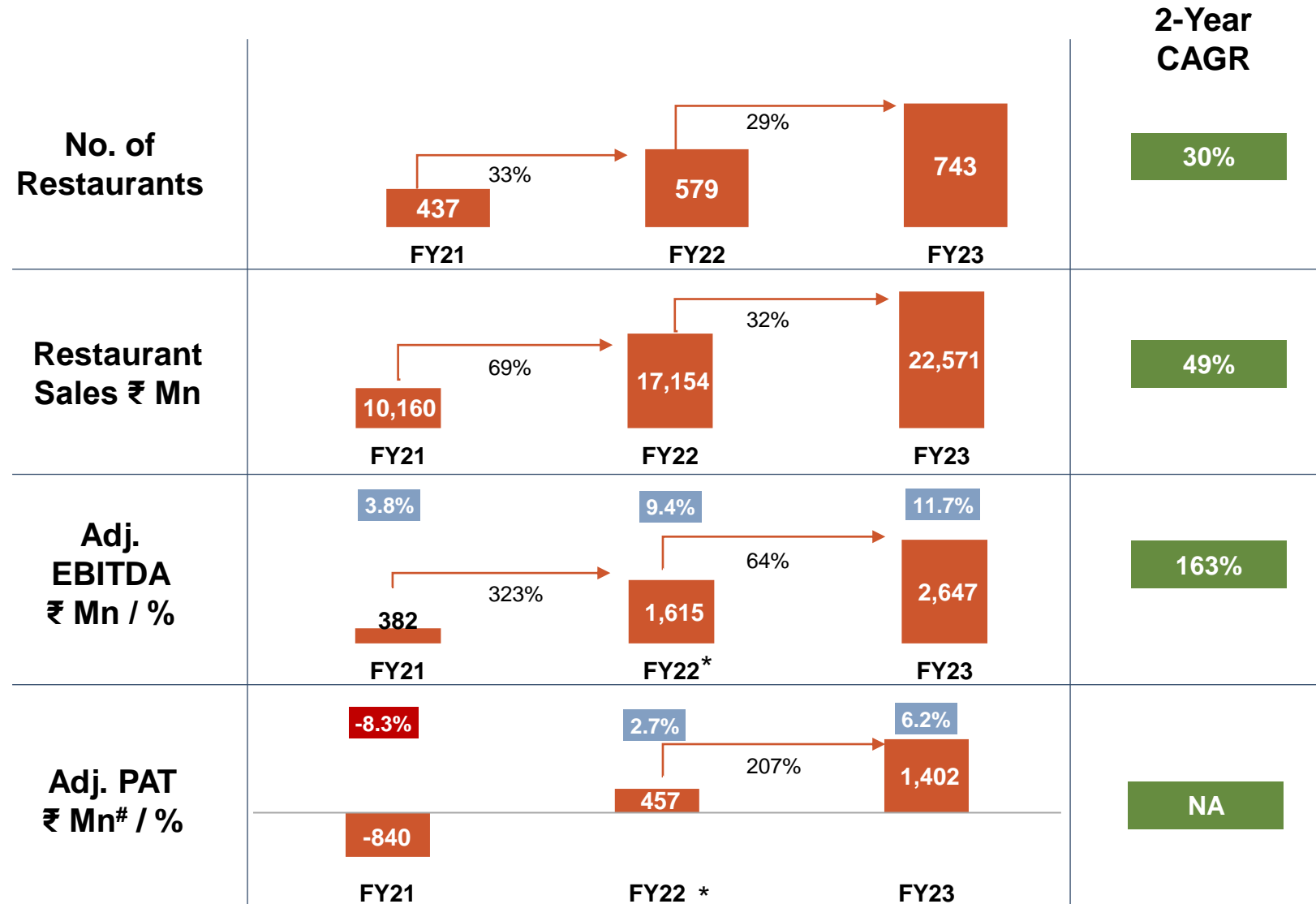


**Optimal capital allocation
drives new restaurant
expansion model** - focus on
smaller sized **omni-channel
restaurants**



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

Q2 & 6M FY24



Particulars	Q2 FY24	Q2 FY23	Change YoY	6M FY24	6M FY23	Change YoY	FY23
Restaurant Sales ₹ mn	6,414	5,604	▲ 14%	12,939	11,040	▲ 17%	22,571
Adj. EBITDA ₹ mn	678	624	▲ 9%	1,450	1,346	▲ 8%	2,647
%	10.6%	11.1%	▼ -50 bps	11.2%	12.2%	▼ -100 bps	11.7%
EBITDA ₹ mn	1,166	1,032	▲ 13%	2,391	2,146	▲ 11%	4,343
%	18.2%	18.4%	▼ -20 bps	18.5%	19.4%	▼ -90 bps	19.2%
PBT ₹ mn	214	269	▼ -21%	550	626	▼ -12%	1,084
%	3.3%	4.8%	▼ -150 bps	4.3%	5.7%	▼ -140 bps	4.8%
PAT ₹ mn #	152	269	▼ -43%	401	650	▼ -38%	2,332
%	2.4%	4.8%	▼ -240 bps	3.1%	5.9%	▼ -280 bps	10.3%
Restaurant Additions	36	42		71	79		164

Note: YoY Q2 PAT is not comparable because there was no tax expense for SFIL in Q2 FY23. In Q2 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%).

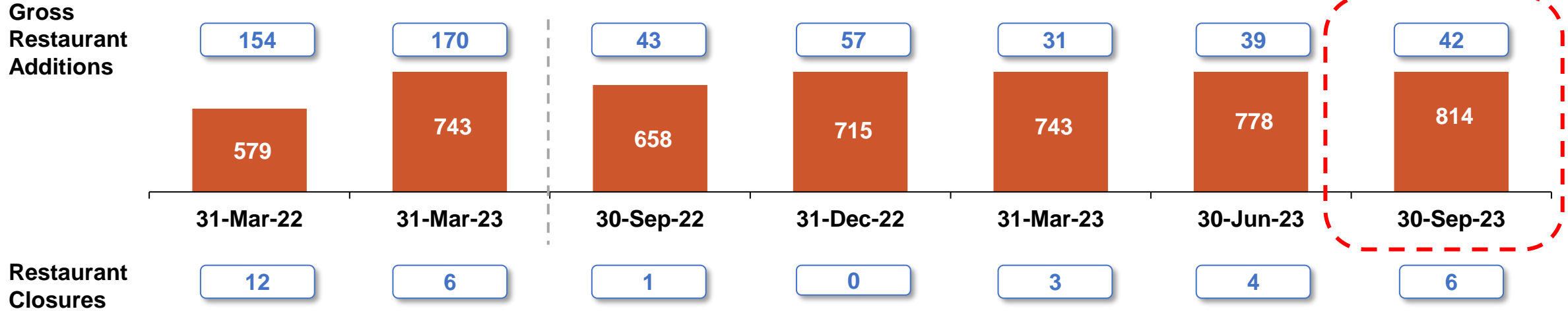
Adj. PAT for Q2 FY24 is ₹215 mn (3.4%).

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

OPERATIONAL & FINANCIAL OVERVIEW

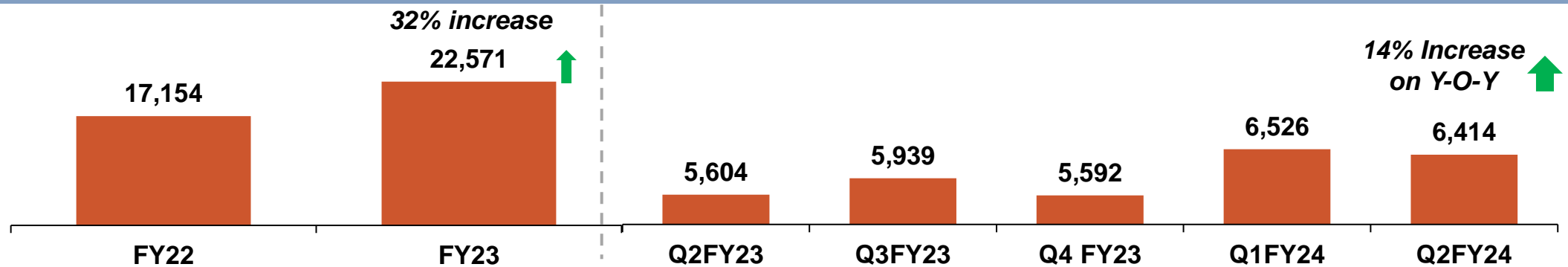


NUMBER OF RESTAURANTS



RESTAURANT SALES

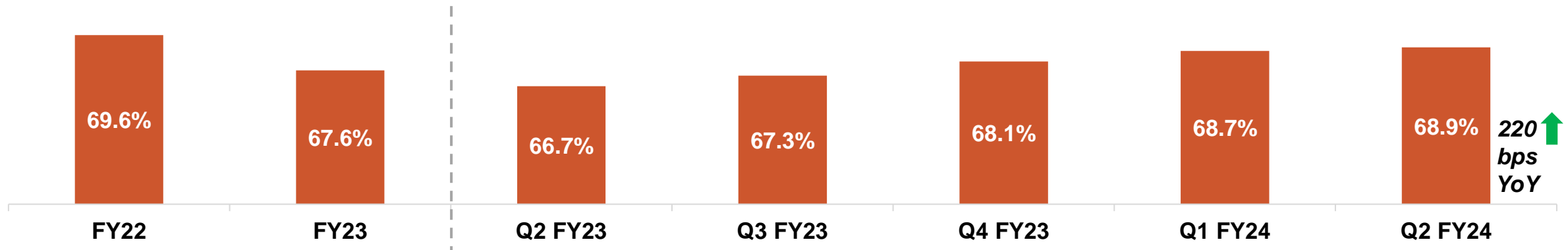
(INR mm)



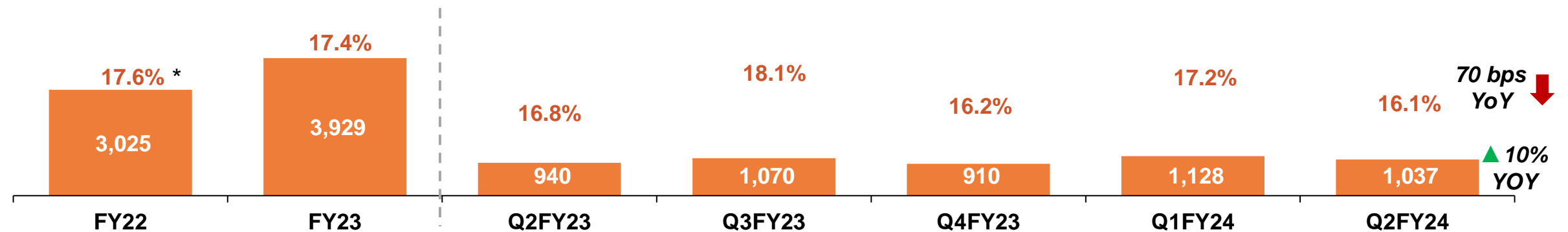
PROFITABILITY OVERVIEW



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

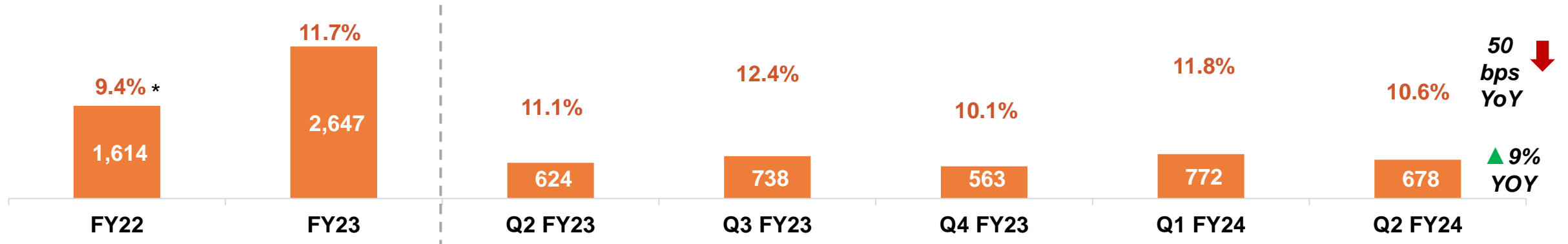
Restaurant EBITDA is before Ind-AS 116 adjustments

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

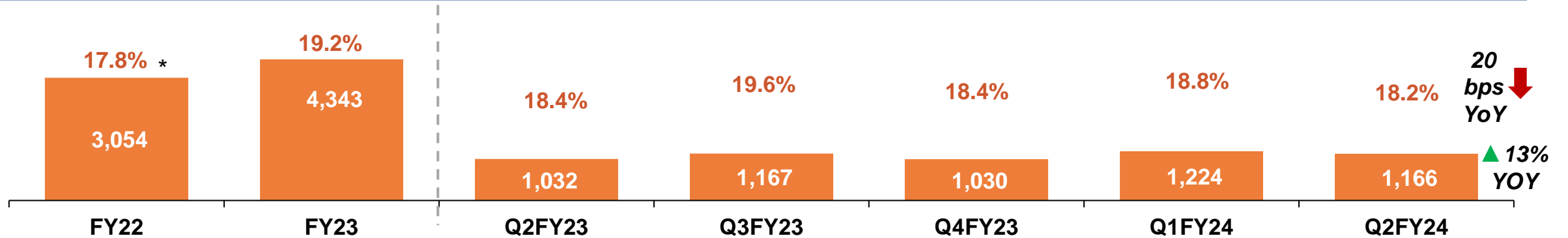
PROFITABILITY OVERVIEW



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

- "Let's KFC" communication campaign



Craveable Taste

- Innovation: Double Down Burger



Value

- Range of Snackers at ₹99/-



Frictionless Customer Experience

- Digital Kiosks
- KFC App
- Partnering with aggregators



Operational Excellence

- 7 Minutes express pickup



Improve Accessibility

- Double the restaurant count in 3-4 years

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 SEP 30, 2023 / FOR 6MFY24
Total Restaurant Count	203	263	341	381
Average Daily Sales per Restaurant (INR'000s)	106	130	135	131
Restaurant Related Revenue (in INR mm)	5,897 24%	10,349 75%	14,529 40%	8,451 20% YoY
Restaurant EBITDA (in %)	14.0% 100 bps	18.7%* 470 bps*	19.4% 70 bps	20.0% 90 bps YoY

Net restaurant additions of **23** in Q2 FY24.

Source: Company data

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

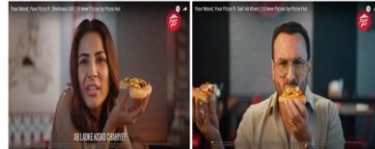
PIZZA HUT INDIA

SPECIFIC PLANS NEXT 6-12 MONTHS



Build Brand Salience

- **Product Innovation**
 - : Large Pizza (launched initially in 2 states)
 - : Detailed innovation pipeline (6-12 months)
- **Enhanced marketing spends**
(over & above mandated agreement)



Grow Dine-In Sales

Operations

- **Speed of service & quality of customer experience:** investment in Dragon Tail tech (intelligent kitchen production planning tool) to enable serving of hot & fresh pizzas

Customer

- **Reinforcement of Pizza Hut's Dine-In experience** through curated deals via analytics and CRM
- **Build Lunch Dine-In occasion:** launch of attractive combos



Our focus is to continually improve operational execution and customer experience

Strengthen Home Service

- **Building late night occasions:**
65% of our stores now deliver 2 a.m. and beyond
- **Delivering 'Hot & Fresh' pizzas:** Dragon Tail integration with Aggregator platforms to improve customer experience and ratings



Real Estate Strategy (existing/new restaurants)

- **Cautious expansion of new restaurants**
- **3-5% portfolio corrections:** closure of long non-performing restaurants
- **12-15% restaurants refurbishments:** enhanced customer experience
- **Restaurant Capex Optimisation:** Process reengineering on back-end



As consumer demand improves, the execution as above will hold us in good stead

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 SEP 30, 2023 / FOR 6MFY24
Total Restaurant Count	162	219	286	311
Average Daily Sales per Restaurant (INR'000s)	48	57	58	50
Restaurant Related Revenue (in INR mm)	2218 34%	3,710 67%	5,214 41%	2,692 2% YoY
Restaurant EBITDA (in %)	5.0% 220 bps	11.4% 640 bps*	13.3% 190 bps	8.3% 660 bps YoY

Net restaurant additions of **9** in Q2 FY24.

Source: Company data

*Restaurant EBITDA % is Normalized for additional incentives accrued in that period.

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 SEP 30, 2023
/ FOR 6M FY24

 Total Restaurant Count

70

95

114

118


 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)

1,689

↑ YoY
28% INR
8% (LKR)

 Restaurant EBITDA (in %)

19.6%

↑ 340
bps

22.0%

↑ 240
bps*

14.8%

↓ 720 bps

14.2%

↓ YoY
100 bps

Net restaurant additions of 4 in Q2 FY24

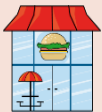



UNIT ECONOMICS



INDIA

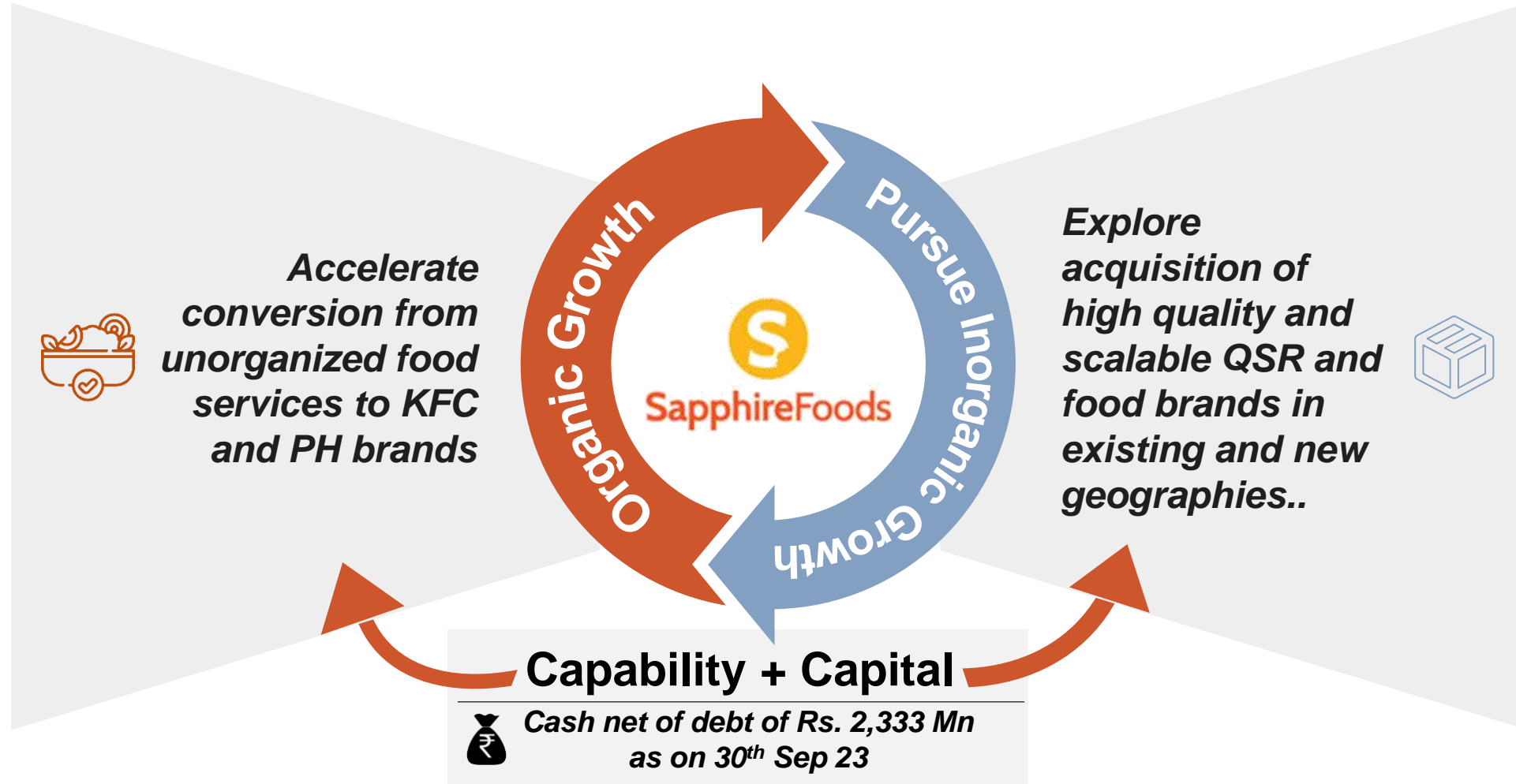


INDIA

	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
	<u>FY19</u>	<u>FY23</u>		<u>FY19</u>	<u>FY23</u>
Average Daily Sales per Restaurant (in ₹ '000) 	125	135		61	58
	<u>FY19</u>	<u>FY23</u>		<u>FY19</u>	<u>FY23</u>
Restaurant EBITDA % 	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

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



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 30 th Sep 2023)	% Holding
Promoters & Promoter Group	41.7
Foreign Portfolio Investors / Non-Resident Indians	24.1
Domestic	34.2
Mutual Funds	21.8
Insurance Companies	4.8
Alternate Investment Funds	1.5
Resident Individuals	5.2
Others	0.9
Total	100.0



THANK YOU

Company:



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