

Date: February 22, 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: Investor Presentation

This is furtherance to our intimation dated February 22, 2022, pursuant to the Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith Investor's Presentation.

The Investor's Presentation will be available on Company's website (www.sapphirefoods.in/investors-relation/financial-information).

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



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⁾

 ₹ **12,212 mn** 9MFY22 Restaurant Sales

 **18.1% [16.7%]*** 9MFY22 EBITDA margin
 ₹ **2,212 MN [2,041]*** 9MFY22 EBITDA ⁽²⁾

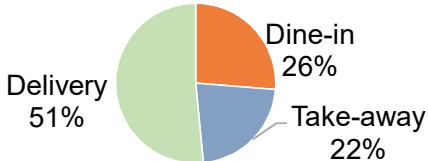


 **23.2% [21.5%]*** Q3 FY22 EBITDA margin
 ₹ **1,170 MN [1,084]*** Q3 FY22 EBITDA ⁽²⁾

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

 **251 KFC** Restaurants ⁽³⁾
294 Pizza Hut Restaurants ⁽³⁾
5 Taco Bell Restaurants ⁽³⁾

Omni Channel Mix ⁽⁴⁾



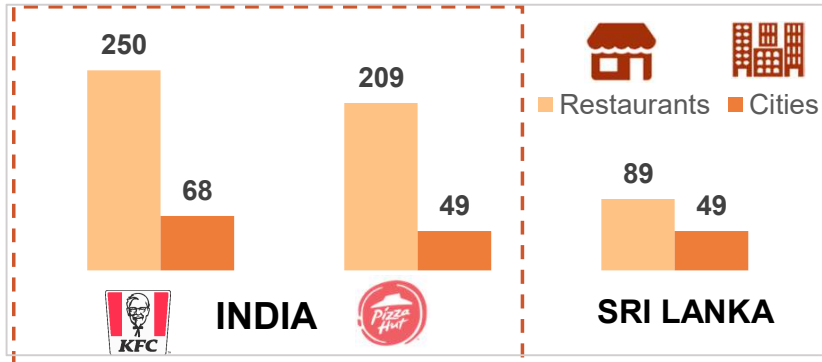
Delivery 51%
 Dine-in 26%
 Take-away 22%

Source: Company data, Technopak industry report

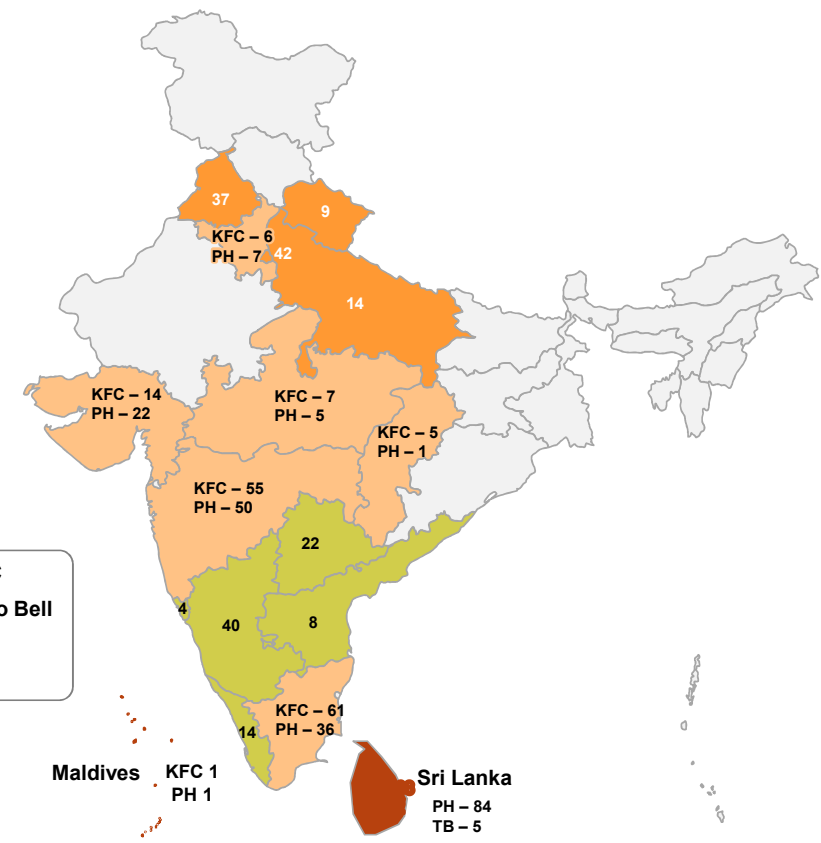
(1) In terms of Restaurant Sales for FY21 and number of restaurants operated as of March 31, 2021; (2) Post Ind AS and includes ESOP impact of 2.7%; (3) As of December 31, 2021; (4) Pertains to 9M FY22

** EBITDA after normalizing for additional incentives accrued in FY22

JOURNEY OF SAPPHIRE FOODS BUILT A PLATFORM OF 550 OUTLETS (1)



SAPPHIRE FOODS: GEOGRAPHICAL PRESENCE (1)



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

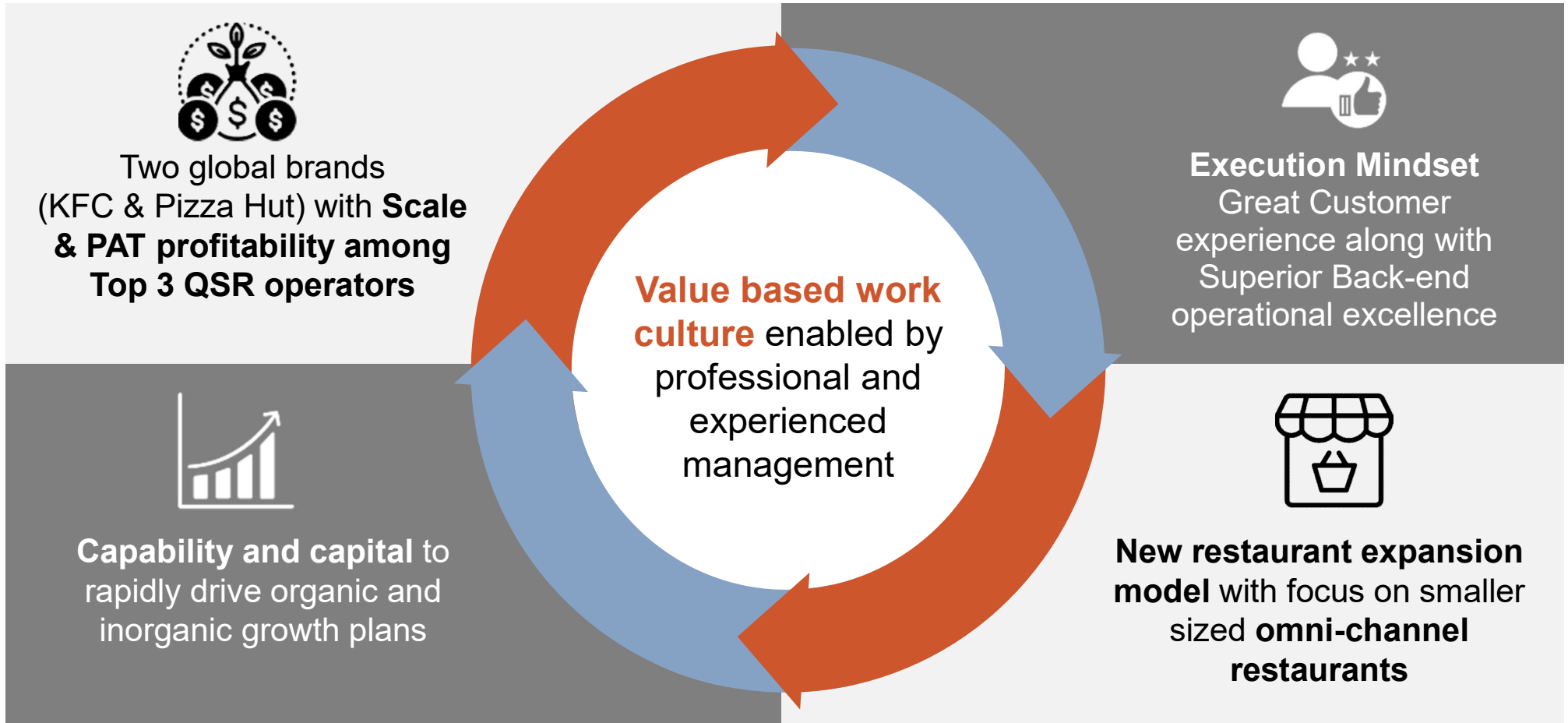
KFC and Pizza Hut present in 10 and 11 states of India respectively

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)

Source: Company data, Technopak Industry Report
 (1) As of December 31, 2021; (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

Q3 & 9M FY22



	Q3 FY22	9M FY22
Restaurant Sales ₹ mn	5,055 ↑ 52%	12,212 ↑ 80%
EBITDA ₹ mn	1,170 ↑ 69% [1,084]*	2,212 ↑ 90% [2,041]*
EBITDA %	23.2% ↑ 240 bps [21.5%]*	18.1% ↑ 90 bps [16.7%]*
PAT %	10.1% [8.4%]*	1.6% [0.2%]*
Restaurant Additions	 31  35	 47  63
	TOTAL** - 68	TOTAL** - 113

Highest Ever Quarterly...

- ...**Restaurant Sales** across KFC, Pizza Hut and Sri Lanka business due to strong brand activation and Sapphire's omni channel execution
- ...**Restaurant EBITDA margin, Corporate EBITDA margin and PAT profitability** due to scale and focus on cost efficiencies
- ...**Restaurant Additions** due to compact omni channel restaurant format (with equal emphasis on Dine-In, Takeaway and Delivery) | Total Restaurant Count at 550

Strong Consolidated Balance Sheet: Net Cash of ~ ₹ 4,350 Mn and Negative Working Capital

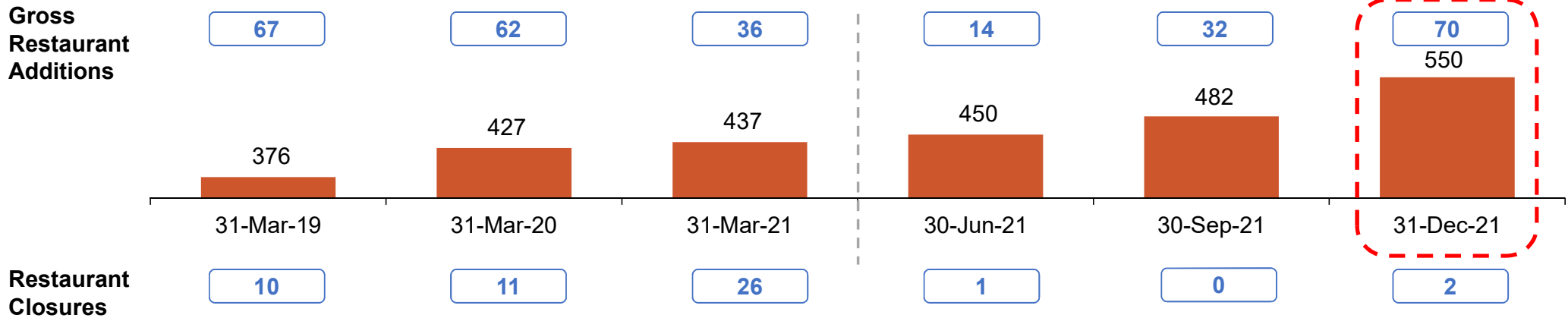
*EBITDA and PAT after normalizing for additional incentives accrued in FY22

**Includes Taco Bell restaurants addition in Sri Lanka

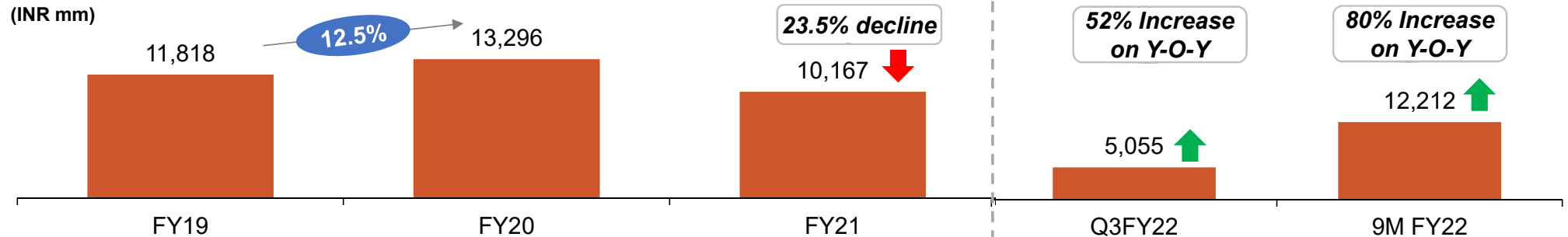
OPERATIONAL & FINANCIAL OVERVIEW



NUMBER OF RESTAURANTS



REVENUE (1)



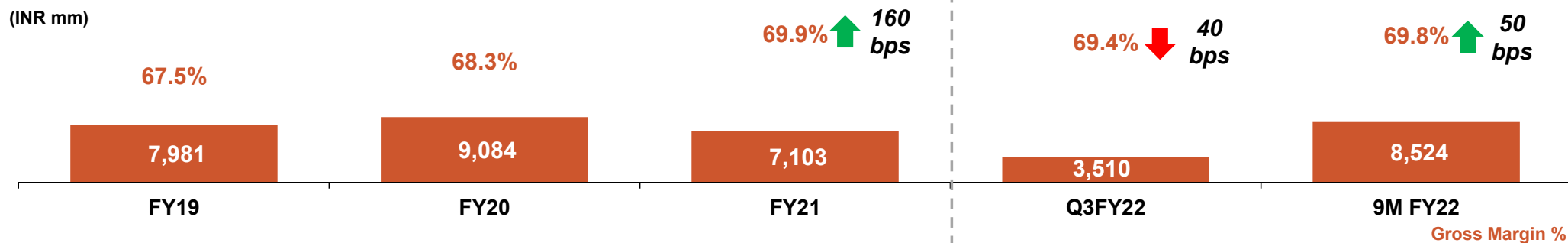
Source: Company data
1. Restaurant related revenue

PROFITABILITY OVERVIEW



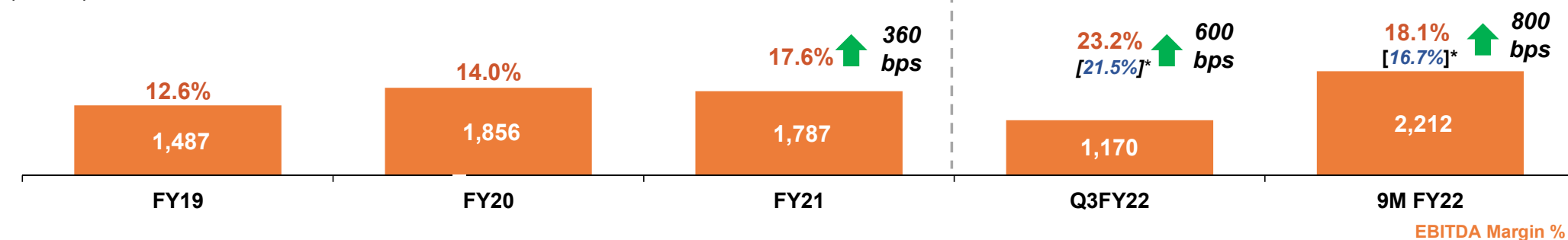
GROSS MARGIN

(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 42% in FY21

Source: Company data
 EBITDA includes ESOP impact. For 9M FY22 the impact is 2.7%
 **EBITDA after normalizing for additional incentives accrued in FY22



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 DEC 31, 2021 /FOR Q3 FY22	AS OF DEC 31, 2021 /FOR 9M FY22
Total Restaurant Count	187	203	250	250
Average Daily Sales per Restaurant (INR'000s)	130	106	144	129
Restaurant Related Revenue (in INR mm)	7,753	5,897 23.9%	3,031 53%	7,384 93%
Restaurant EBITDA (in %)	13.2%	14.0% 80 bps	22.5% 380 bps [21.2%]*	19.7% 800 bps [18.6%]*

Net addition of **47 restaurants** in 9M FY22

Source: Company data

*EBITDA after normalizing for additional incentives accrued in FY22

CORE COMPOSITION OF OUR BUSINESS: PIZZA HUT INDIA



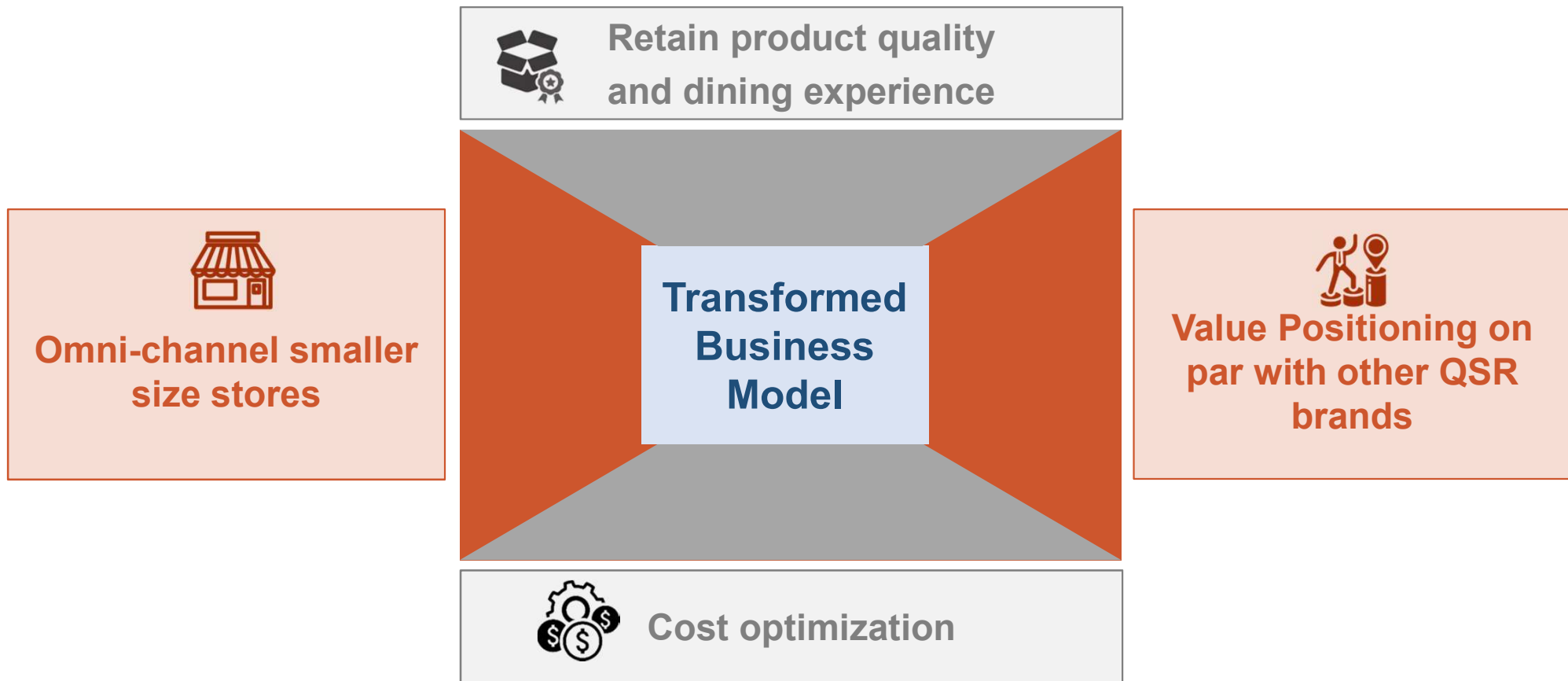
	AS OF MAR 31, 2020 / For FY20	AS OF MAR 31, 2021 / For FY21	AS OF DEC 31, 2021 / For Q3 FY22	AS OF DEC 31, 2021 / For 9M FY22
Total Restaurant Count	174	162	209	209
Average Daily Sales per Restaurant (INR'000s)	58	48	64	57
Restaurant Related Revenue (in INR mm)	3,343	2,217 33.7%	1,134 51%	2,678 86%
Restaurant EBITDA (in %)	7.3%	5.0% 230 bps	17.3% 610 bps [14.9%]*	14.1% 1,280 bps [11.5%]*

Net addition of **47 restaurants** in 9M FY22

Source: Company data

*EBITDA after normalizing for additional incentives accrued in FY22











CORE COMPOSITION OF OUR BUSINESS: PIZZA HUT INDIA



Source: Company data

CORE COMPOSITION OF OUR BUSINESS: SRI LANKA OPERATIONS



	AS OF MAR 31, 2020 / FOR FY20	AS OF MAR 31, 2021 /FOR FY21	AS OF DEC 31, 2021 /FOR Q3 FY22	AS OF DEC 31, 2021 /FOR 9M FY22
 Total Restaurant Count	64	70	89	89
 Average Daily Sales per Restaurant (INR'000s)	87	90	121	108
 Restaurant Related Revenue (in INR mm)	2,038	1,965  3.6%	858  51%	2,066  41%
 Restaurant EBITDA (in %)	16.2%	19.5%  330 bps	26.4%  620 bps [23.9%]*	22.6%  530 bps [21.4%]*

Net addition of 19 restaurants in 9M FY22

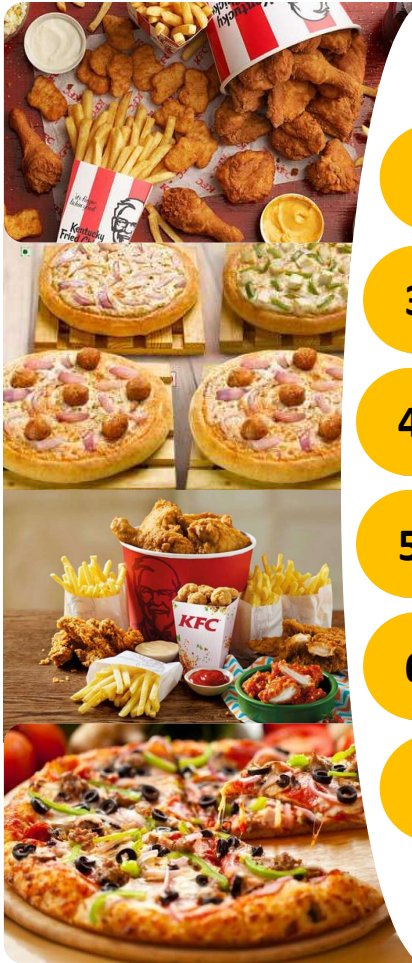
Source: Company data

*EBITDA after normalizing for additional incentives accrued in FY22



KEY CONSIDERATIONS

KEY CONSIDERATIONS



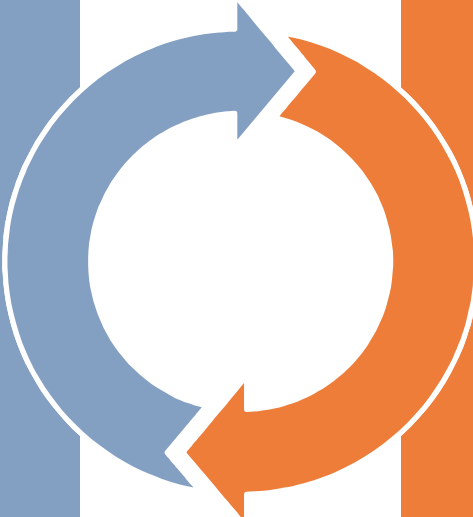
- 1 Large addressable food service market driven by macro fundamentals and industry tailwinds
- 2 Leading QSR brands with differentiated product and value offerings
- 3 Strong relationship with YUM
- 4 Continuous focus on delivering great customer experience on quality and value parameters
- 5 Omni channel 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

Source: Technopak industry report, Company data

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⁾

Source: Technopak industry report
(1) QSR: Quick Service Restaurant

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

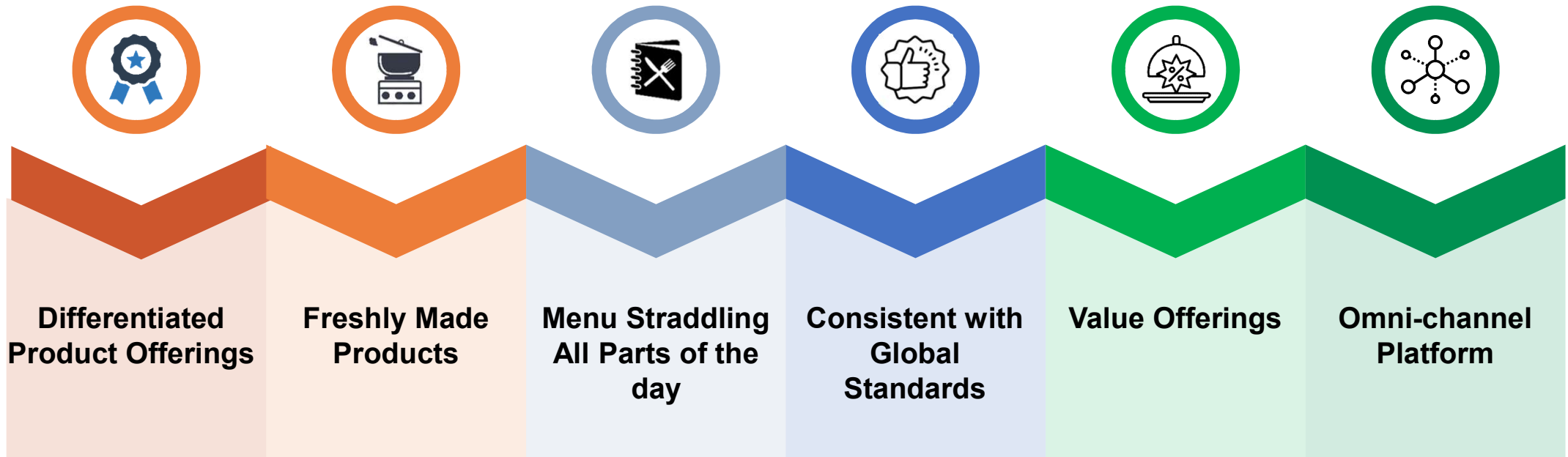
Note: Metrics for KFC and Pizza Hut are at an aggregate level

(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

Source: Technopak industry report, company data
(1) As of December 31, 2020

STRONG RELATIONSHIP WITH YUM



 <p>FRANCHISEE ARRANGEMENT</p>	<p>Under franchisee arrangement YUM has provided us rights to operate stores as one of the franchisee operator in Indian subcontinent in the specified Territories</p>
 <p>TERM</p>	<p>With respect to each store is 10 years (Original term) + 10 years (Renewal term)</p>
 <p>DEVELOPMENT AGREEMENT (DA)</p>	<p>Pursuant to these we are required to open minimum number of stores and in return we are eligible for certain incentives</p>
 <p>ROYALTY AND MARKETING</p>	<p>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)</p>
 <p>ACQUIRING / OPERATING NON-YUM BRANDS</p>	<p>Allowed in non-competing product categories with YUM's prior approval</p>

OMNI CHANNEL PLATFORM AND ENHANCED DIGITAL ECOSYSTEM

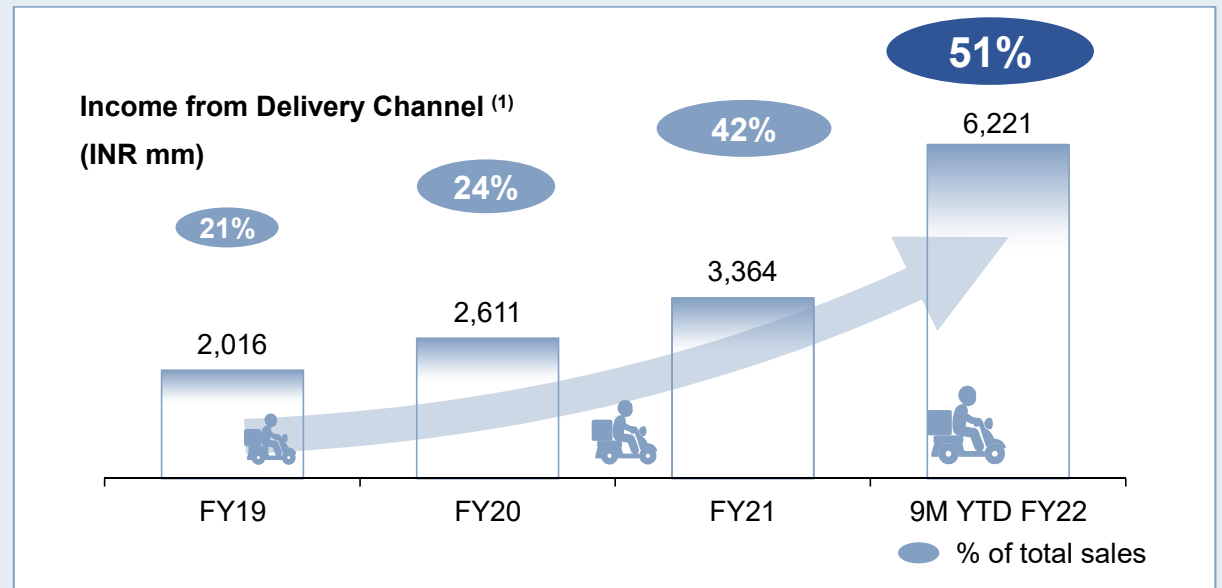


OMNI CHANNEL ALLOWS OPTIMAL USE OF ASSETS

DINE IN - CONTEMPORARY CUSTOMER EXPERIENCE



DELIVERY - HYBRID MODEL OF OWN AND THIRD-PARTY AGGREGATORS



TAKE AWAY - CONTACTLESS ORDERING AND PAYMENT GATEWAY



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

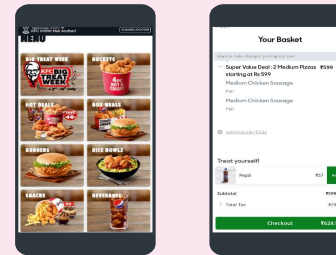


Direct relationships with vendor partners



'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⁾ ↓ Reduction in Avg Restaurant size ~45% ⁽²⁾	2,427	~ 1,300 ⁽¹⁾ ↓ Reduction in Avg Restaurant size ~46% ⁽²⁾
Average Daily Sales per Restaurant (in ₹ '000) 	<u>FY19</u> 125	<u>Q3 FY22</u> 144	<u>FY19</u> 61	<u>Q3 FY22</u> 64
Restaurant EBITDA % 	<u>FY19</u> 12.7%	<u>Q3 FY22</u> 21.2%*	<u>FY19</u> 7.5%	<u>Q3 FY22</u> 14.9%*

*EBITDA after normalizing for additional incentives accrued in FY22

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

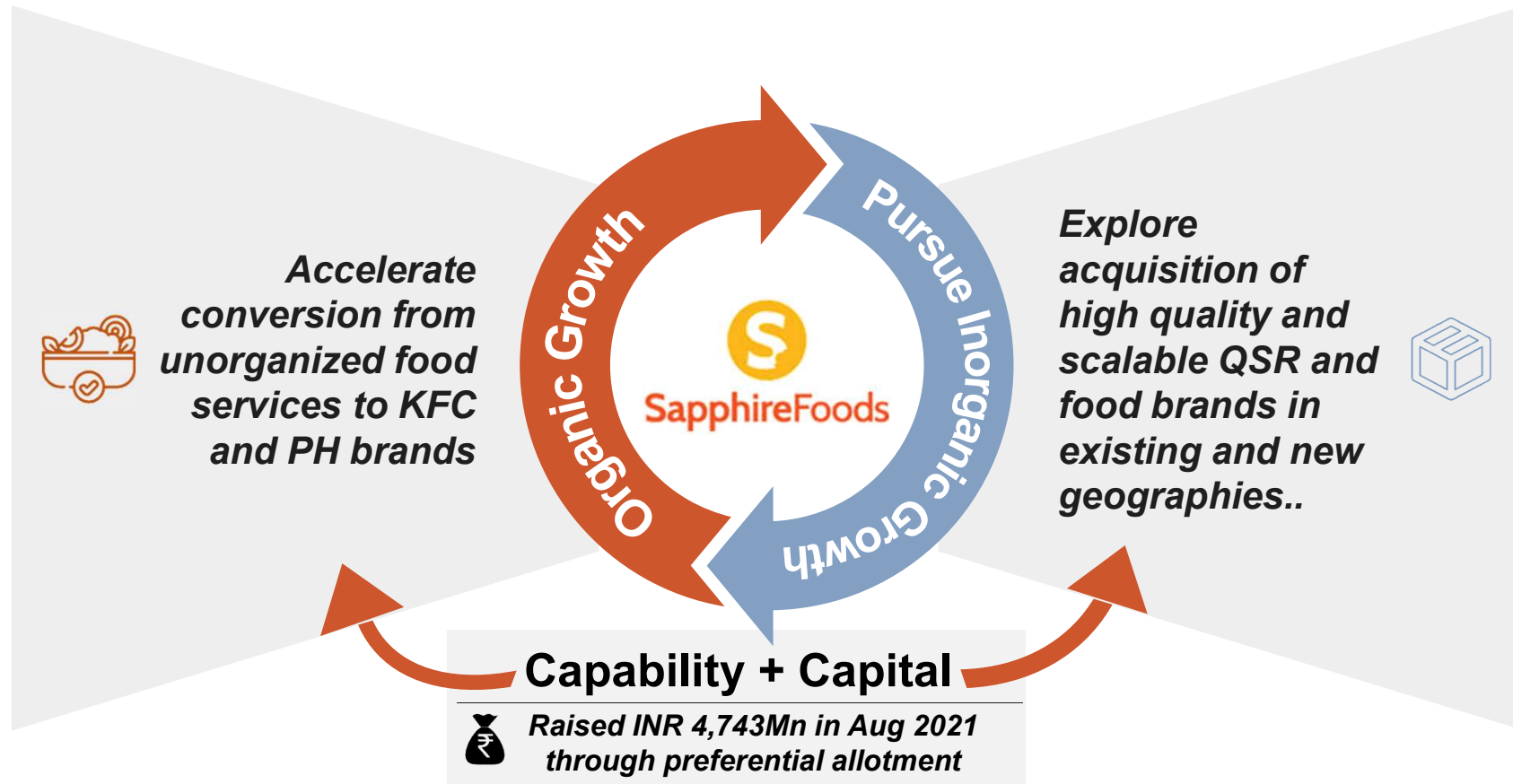


Anu Aggarwal
Non- Executive Independent Director



Vinod Nambiar
Non-Executive Non- Independent Director

WELL POSITIONED TO CAPTURE FUTURE OPPORTUNITIES





THANK YOU

Company:



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