

Pick of the week

Sapphire Foods

Recommendation:	ADD
Target Price:	₹380
Current Price:	₹316
Time Period:	12 Months
Date:	03rd February 2025



- Sapphire believes that it is performing in line or better than the industry.
- Pizza Hut (PH) recovery remains work in progress.
- There was 11.7% yoy increase in store count to 909 stores (Sep-24).
- We expect gradual stability in growth metrics & better unit economics in H2FY25.
- We continue to like the story (decent growth at reasonable valuations).
- We expect earnings to grow by 211.1% in FY26E & grow by 63.9% in FY27E.
- We value SAPPHIRE at 27X Dec 2026E EV/EBITDA.

Note: The above is a brief note on the company, based on the inputs of KIE research report dated 29th October, 2024, which is available on our website at: <https://www.kotaksecurities.com/ksweb/ResearchCall/Fundamental>.

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