

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>.

Disclaimer: <http://bit.ly/2n5AxIE>

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