

Sapphire Foods (SAPPHIRE) - ADD

Result Update

Current Market Price (CMP)
Rs.344

Target Price
Rs. 360

Rationale:

- Sapphire Q1FY26 was a weak print on all counts
- Sapphire reported 8.1% yoy revenue growth.
- We expect earnings to de-grow by 114.7% in FY26E & grow by 822.6% in FY27E.
- Stock is currently trading at valuation of 323.4 x P/E FY27E EPS.
- We cut FY2026-28 EBITDA estimates by 5-13%, roll over and revise FV to Rs360.

Q1FY26 Earnings Update:

👍 Positives:

- Overall, KFC growth was on expected lines.
- SF added 11 net new stores, with 8/2/1 inKFC/ PH/SL.

👎 Negatives:

- Sapphire (SF) reported revenues of Rs776.8 cr (0.7% miss), up 8.1% yoy.
- EBITDA margin declined 280 bps yoy to 7.1% (KIE: 8.1%).
- Pizza Hut's (PH) performance was weak on all fronts.
- PBT loss stood at Rs18 mn (KIE: (+)Rs81 mn).

[Click here](#) To read the detailed report



This is a synopsis of the Research report issued by Kotak Securities Limited. This is not a comprehensive report and before taking any investment decision we request you to refer the detailed report including disclaimers by clicking here: <https://www.kotaksecurities.com/stock-research-recommendations/>. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months / Disclaimer: <https://www.kotaksecurities.com/disclaimer/research/>