

October 2022

LT Foods Limited

Investor Presentation - H1 & Q2 FY23



Safe Harbour

This presentation and the accompanying slides (the 'Presentation'), which have been prepared by LT Foods Limited (the "Company"), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities and shall not form the basis or be relied on in connection with any contractor binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

This presentation contains certain forward-looking statements concerning the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward-looking statements become materially incorrect in future or update any forward-looking statements made from time to time by or on behalf of the Company.



INDEX



INDEX



H1 & Q2 FY23 Results Highlights



Key Developments



Strategy and Outlook



Shareholding Pattern

H1 & Q2FY23 Results Highlights



H1 FY23 Segment Highlights (YoY)

Revenue

32% ↑

Organic Segment*

-1% ↓

Basmati & Other
Specialty Segment

35% ↑

Convenience & Health
Segment

66% ↑

*Organic business impacted on account of delay in bulk shipment



Q2 FY23 Segment Highlights (YoY)

Revenue

31% ↑

Organic Segment*

-20% ↓

Basmati & Other
Specialty Segment

36% ↑

Convenience & Health
Segment

42% ↑

*Organic business impacted on account of delay in bulk shipment



H1 FY23 Key Highlights (YoY)

EBITDA

16% ↑

Book Value
Per Share (₹)

₹ 74 ↑
(from ₹ 63)

EBIT

19% ↑

Return on Equity

16.2% ↑
(from 15.5%)

PBT

22% ↑

Working Capital
Days

184 ↓
(from 186)

PAT

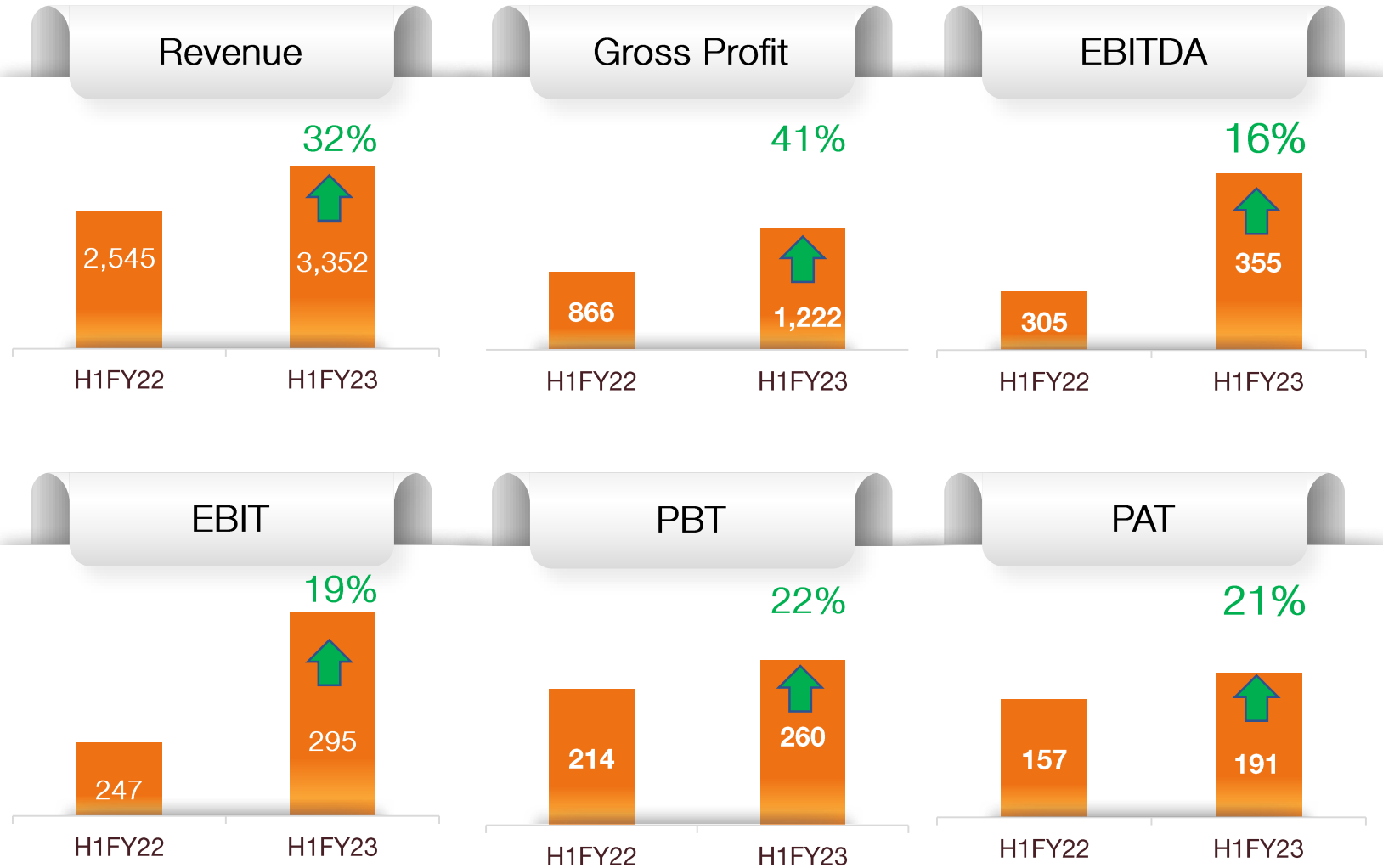
21% ↑

Cash Profit

16% ↑



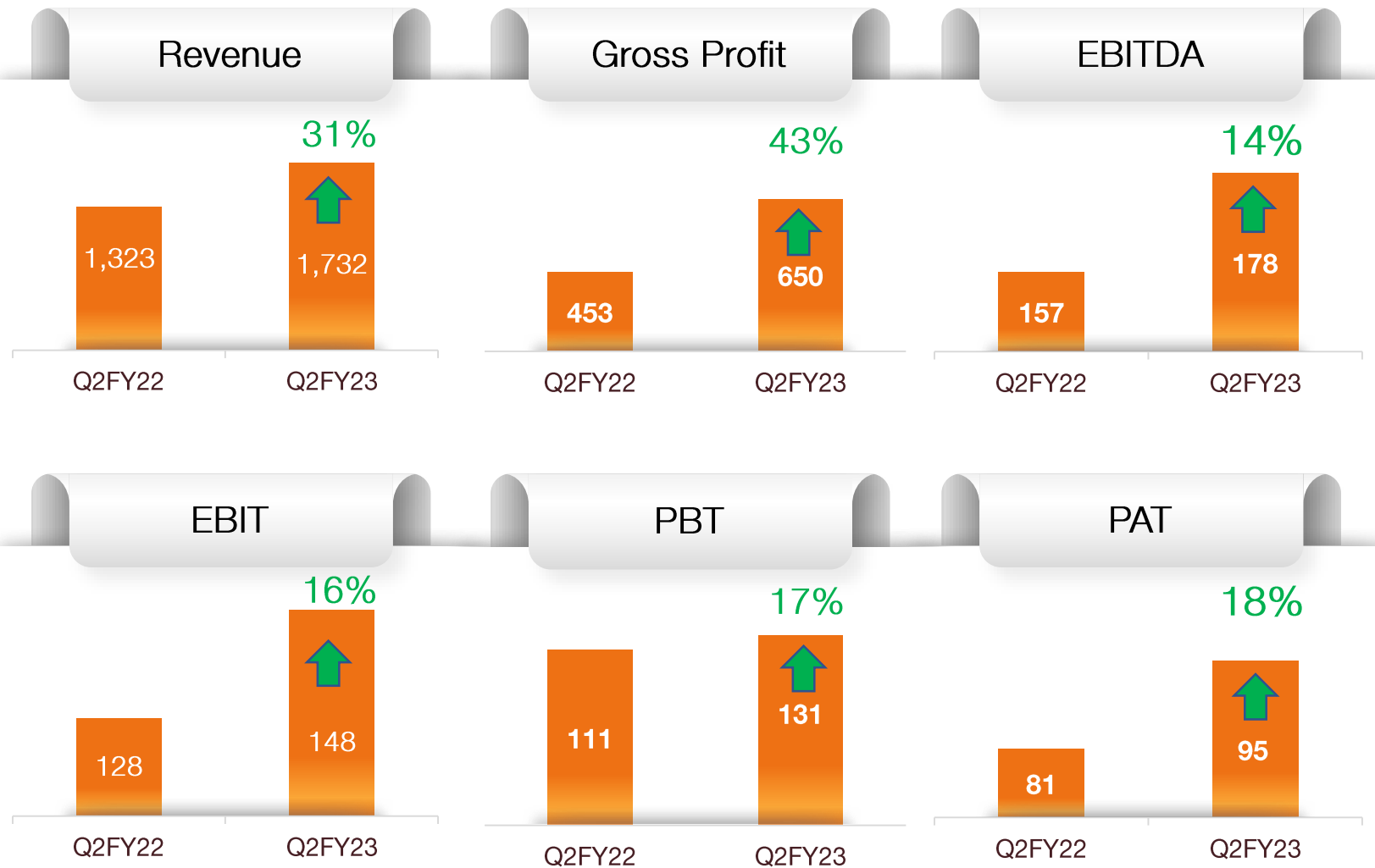
H1 FY23 Financial Update



All Figures in ₹ Crore unless specified

- Revenue up 32% y-o-y aided by accelerated brand investments across all 3 business segments – Basmati & Other Specialty Rice, Organic and Convenience and Health business
- Gross Profit up by 41% y-o-y & Gross Profit margin expanded by 242 bps on account of change in product mix and partial price increase implemented due to increase in freight cost
- EBITDA up by 16%, Margins contracted by 142 bps due to:
 - Increase in freight expenses by 540 bps
 - Efficiencies at manufacturing level
- PAT up by 21% y-o-y at ₹191 Crore

Q2 FY23 Financial Update



All Figures in ₹ Crore unless specified

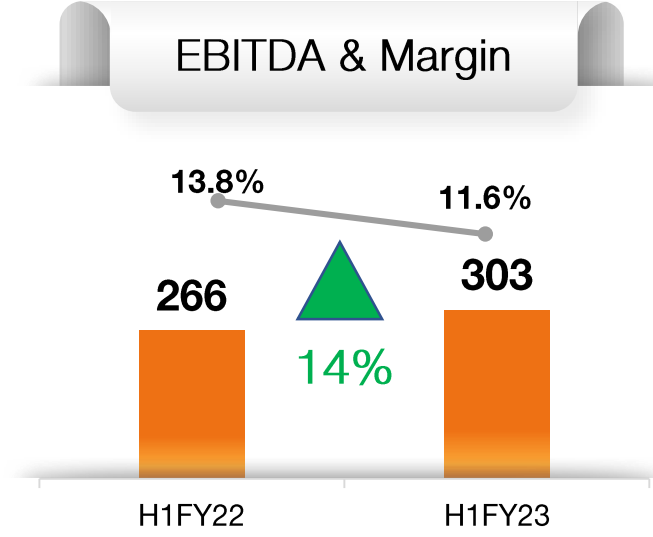
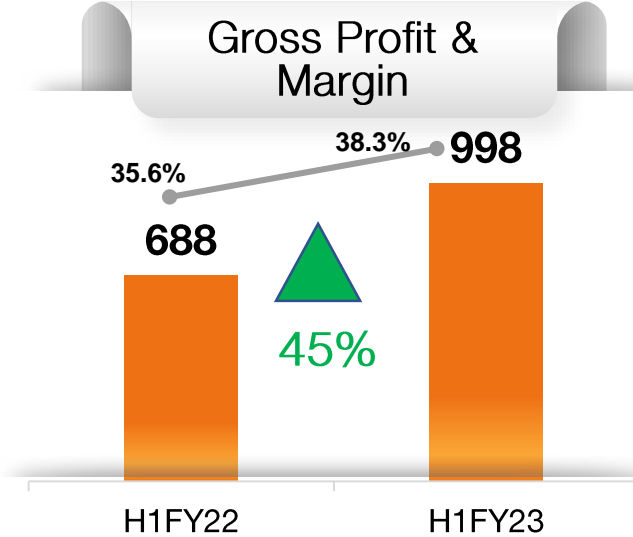
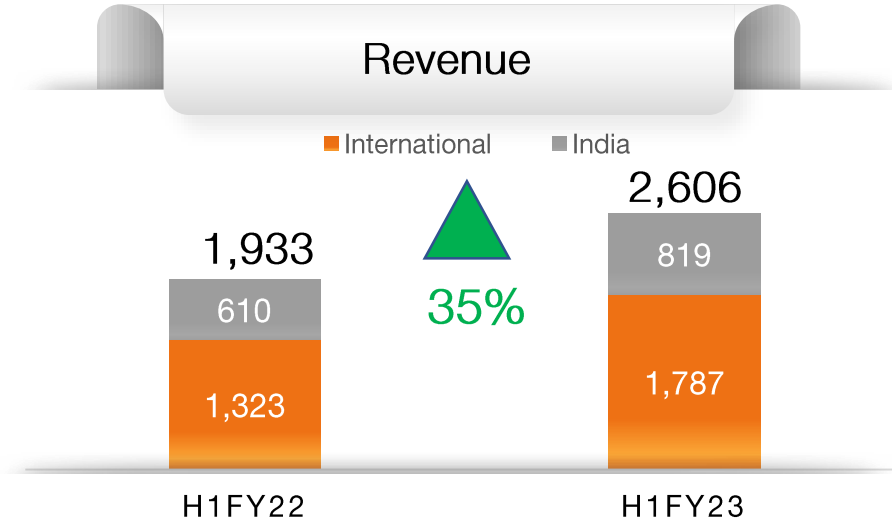
- Revenue up 31% y-o-y aided by accelerated brand investments across all 3 business segments – Basmati & Other Specialty Rice, Organic and Convenience and Health business
- Gross Profit up by 43% y-o-y & Gross Profit margin expanded by 327 bps on account of change in product mix and partial price increase implemented due to increase in freight cost
- EBITDA up by 14%, Margins contracted by 156 bps due to:
 - Increase in freight expenses by 660 bps
- PAT up by 18% y-o-y at ₹95 Crore

Segment Update – Basmati & Other Specialty Rice

Growing at a 3 Year CAGR – 10%



LT FOODS
NURTURING GOODNESS

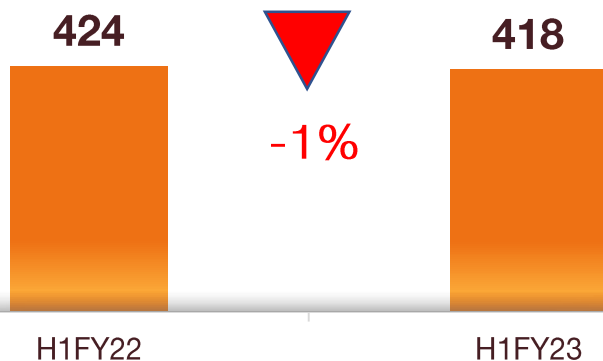


All Figures in ₹ Crore unless specified | Decline in EBITDA Margins on account of Exceptional increase in Freight Cost

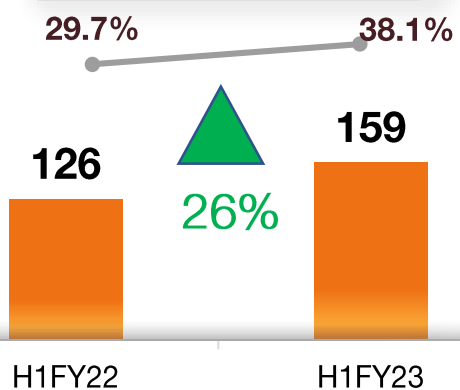
Segment Update – Organic Segment

Growing at a 3 Year CAGR – 36%

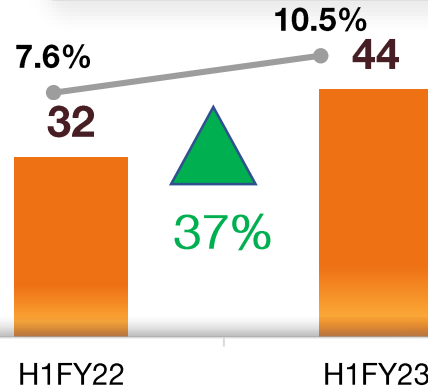
Revenue & Growth



Gross Profit & Margin



EBITDA & Margin

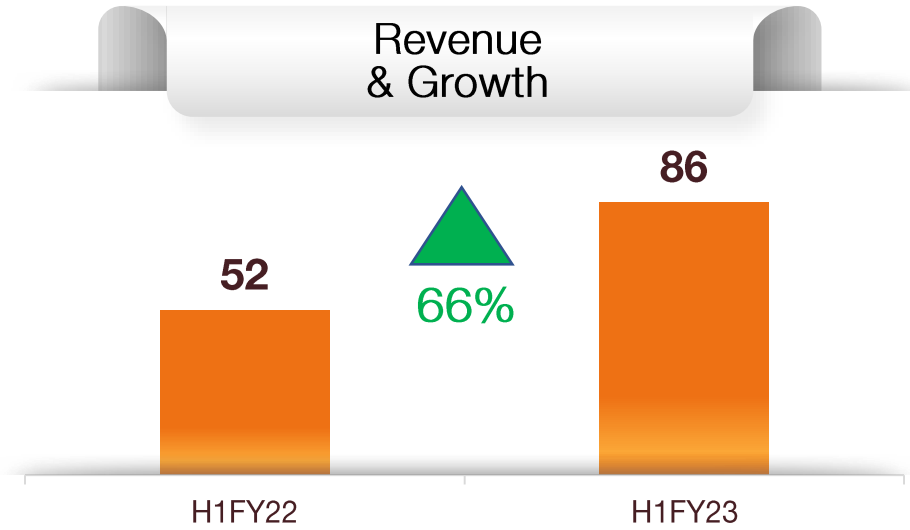


All Figures in ₹ Crore unless specified

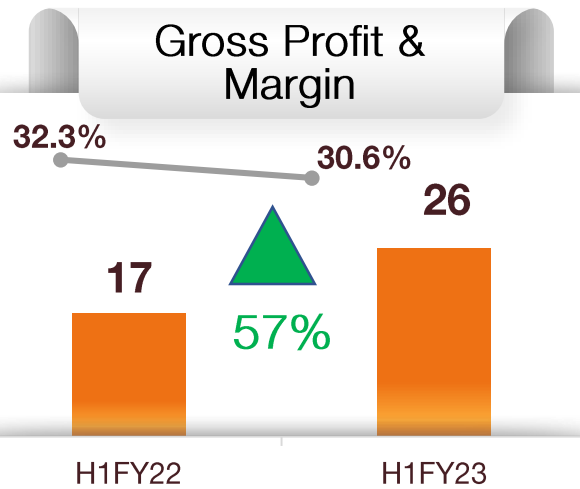
Segment Update – Convenience & Health Segment

Growing at a 3 Year CAGR – 59%

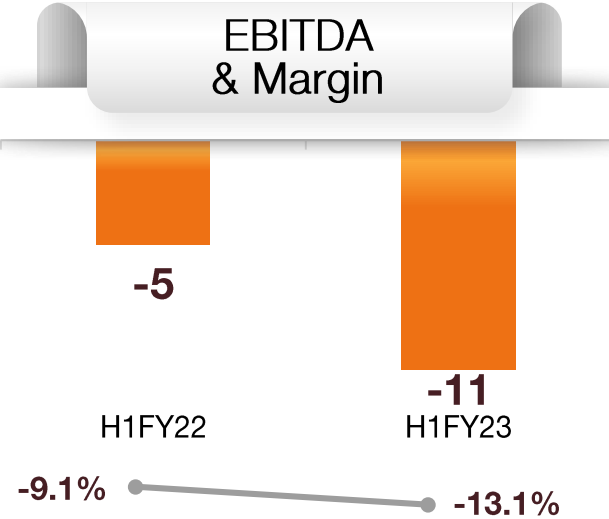
Revenue & Growth



Gross Profit & Margin



EBITDA & Margin



All Figures in ₹ Crore unless specified



Key Developments

Strong Progress in Q2 in India backed by 360-degree marketing campaigns

Market Share %

28.5% ▲ ^{Gr.%} **180 Bps**

Presence across retail outlets

1,76,000 ▲ ^{Gr.%} **40%**

As per AC Nielsen MAT'22 vs. MAT'21

DAAWAT *The FINEST* Consuming Households

37 Lakh ▲ ^{Gr.%} **36%**

** As per Kantar MAT June'22 Vs. MAT June'21*



Strategy and Outlook

Capital Allocation Plan

We aim to balance the objectives of ploughing back earnings to support sustained growth, debt reduction and appropriate reward to shareholders through dividends



Growth

Utilizing the free cash flow generated for the growth in its Basmati and Other Specialty Rice segment and Organic business along with the new growth engines launched under the Convenience & Health platform. In addition to the above the same will be utilized for strengthening the brands, widening distribution network and increasing brand penetration across all consumer segments across geographies



Capex

To continue investing in automation/up-gradation based on increasing consumer base and to strengthen the supply chain network.

The investment to be in-line with Company's expected Return on Capital Employed



Debt Reduction

Goal is to maintain our Debt/EBITDA ratio between 2x-3x, though majority of our debt is Working Capital debt that is required to purchase paddy in the season and age it for minimum 12 months



Dividend

The Company strive to maintain a steady stream of dividend to reward its shareholders. Effective 20-21, in the medium term the dividend pay-out ratio is expected to be in the range of 20%-30% of standalone profits

Way Forward

Focus on strategic pillars of Growth, Margin Expansion and Strengthening of Financial Metrics to create a fully integrated, global, strong, progressive, sustainable, predictable, profitable, and growing consumer business



Growth

Solidify the leadership position in key markets and grow current market share with target 5 Year Revenue CAGR of 10-12%

Strengthen & widen distribution network

Expand organic portfolio in value added segments

Expand existing product portfolio and launch new products leveraging brand & distribution strength i.e. Ready to Eat, Ready to Cook and Rice based snacks



Margin Expansion

Change in Product Mix

Efficiencies across value chain

Economies of Scale

Target 5 Year EBITDA Margin Expansion of c. 140-150 bps



Strengthen Financial Metrics

Strengthen Balance Sheet Metrics and enhance return ratios

FY25: ROCE **c. 23%**

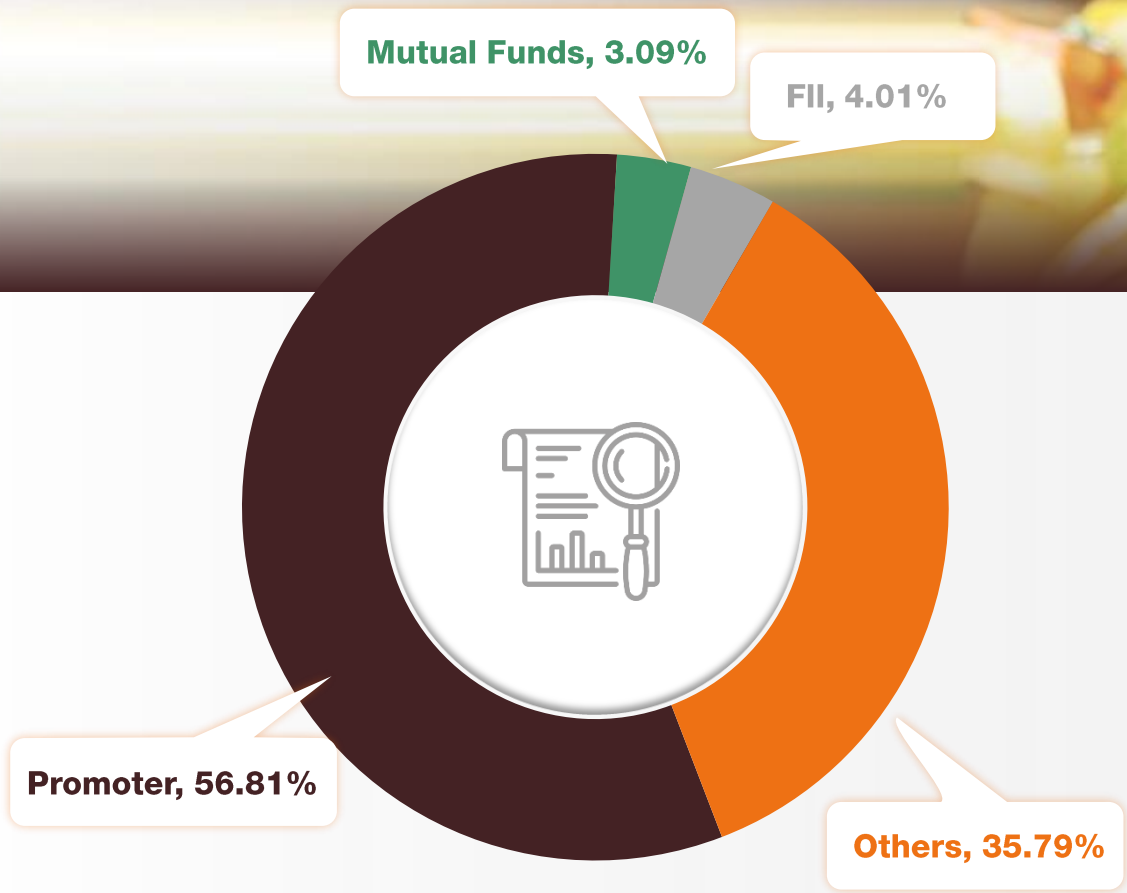
FY25: ROE **c. 20%**



Shareholding Pattern

As on September 30 , 2022

Shareholding Information



Shareholder Information as on September 30, 2022

BSE Ticker	▶	532783
NSE Symbol	▶	DAAWAT
Market Cap (₹ Cr)*	▶	3,715
% Free- float	▶	43.19%
Free Float Market Cap (₹Cr)	▶	1,597
Shares Outstanding (Cr)	▶	32
Industry	▶	Consumer Food


Promoter shares are unencumbered

* Share Price as on 30th Sep'22 (Closing Price: Rs 116.15)

Investor Contact

Ms. Monika Chawla Jaggia


 Monika.Jaggia@ltgroup.in


 0124-3055210

 ltgroup.in

 DaawatBasmatiOfficialAuthenticRoyalFoods

 CIN: L74899DL1990PLC041790

 Corporate Office Address:
4th Floor, MVL I Park,
Sector – 15 Gurugram - 122001

 Registered Office Address:
Unit-134, 1st Floor, Rectangle-1, Saket
District Centre, Saket, New Delhi-110017

World of LT Foods



Devaaya

ecoLife



KARI-KARI
JAPANESE PREMIUM SNACKS