



LT Foods



Investor Presentation

9M FY21 & Q3 FY21

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Contents

Key Highlights

Financial Update

Capital Allocation Plan

Marketing Initiatives

Strategic Focus

Shareholding Pattern



9M FY21 Key Highlights

Basmati & Other Specialty
Rice business up by **15%**

Organic business up by
67%

New Products business up
by **50%**

Gross Profit up by
27%

EBITDA up by **28%**

EPS up by **67%**

Cash Profit up by
51%

Improvement in Debt to EBITDA
ratio¹ (**2.2x** vs **3.3x**)

Debt down by **Rs. 229cr**

ROCE¹ improved by **347 bps**
(**16%** vs **12.5%**)

ROE¹ improved by **476 bps**
(**16.8%** vs **12%**)

Normalised ROCE^{1,2} up by
362 bps (16.7% vs 13.1%)

1. Annualized Basis

2. Capital Employed excludes the funds blocked in the
fire insurance claim amounting to Rs. 134 Crore

Q3 FY21 Key Highlights (Y-o-Y)

**Basmati & Other Specialty
Rice business up by 6%**

**Organic business up by
35%**

**New Products business up by
21%**

Gross Profit up by 17%

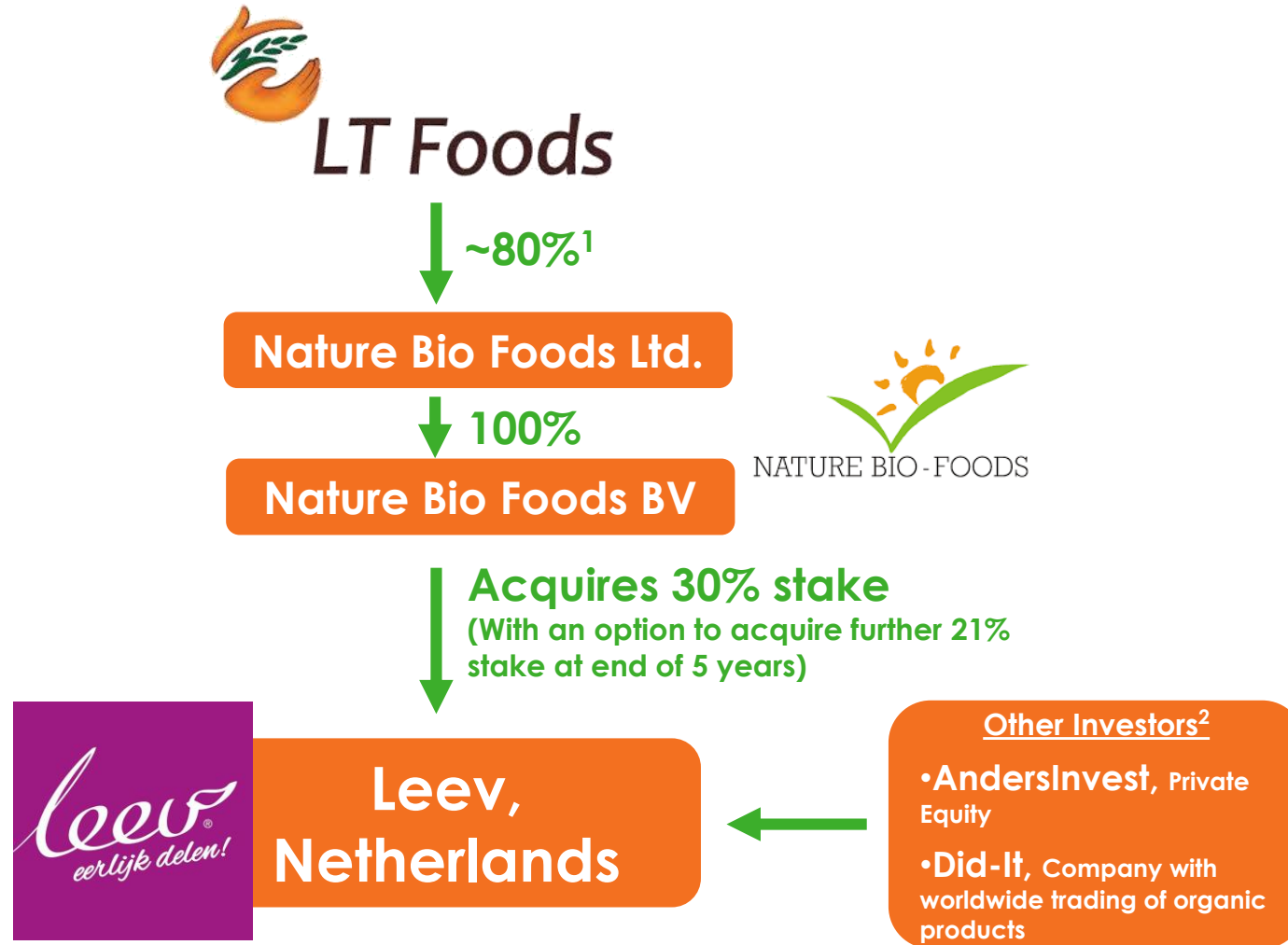
EBITDA up by 18%

PAT up by 44%

Cash Profit up by 36%

Acquisition of 30% stake in Leev, Netherlands

The acquisition of a stake in Leev is in line with long term growth strategy of Nature Bio Foods Ltd.(NBFL)



Acquisition Rationale

- Leev will have access to 100% organic products grown by NBFL's network of nearly 60000+ organic farmers, cultivated in 80000+ hectares of certified organic land in India.
- NBFL would be able to strengthen its global organic ingredient sourcing basis firm consumer base of Leev's network
- NBFL will act as a responsible and dependable organic product and ingredient supplier to Leev that will help Leev to expand its product portfolio in the super foods category that currently stands at 50-60 million euros that is growing at a CAGR of 8-10%.

About Leev

- Leev is a Netherlands based Organic Specialty Food Company with a portfolio comprising breakfast bars, healthy snacks, baking range & gluten free, low sugar products that promote an active & healthy lifestyle.
- Further, it is expanding its product portfolio and venturing into organic wholegrains category such as oats and flax seeds.
- Its products are available in both retail & online stores.
- Leev has a presence across 2500+ stores in Europe.



Contents

Key Highlights

Financial Update

Capital Allocation Plan

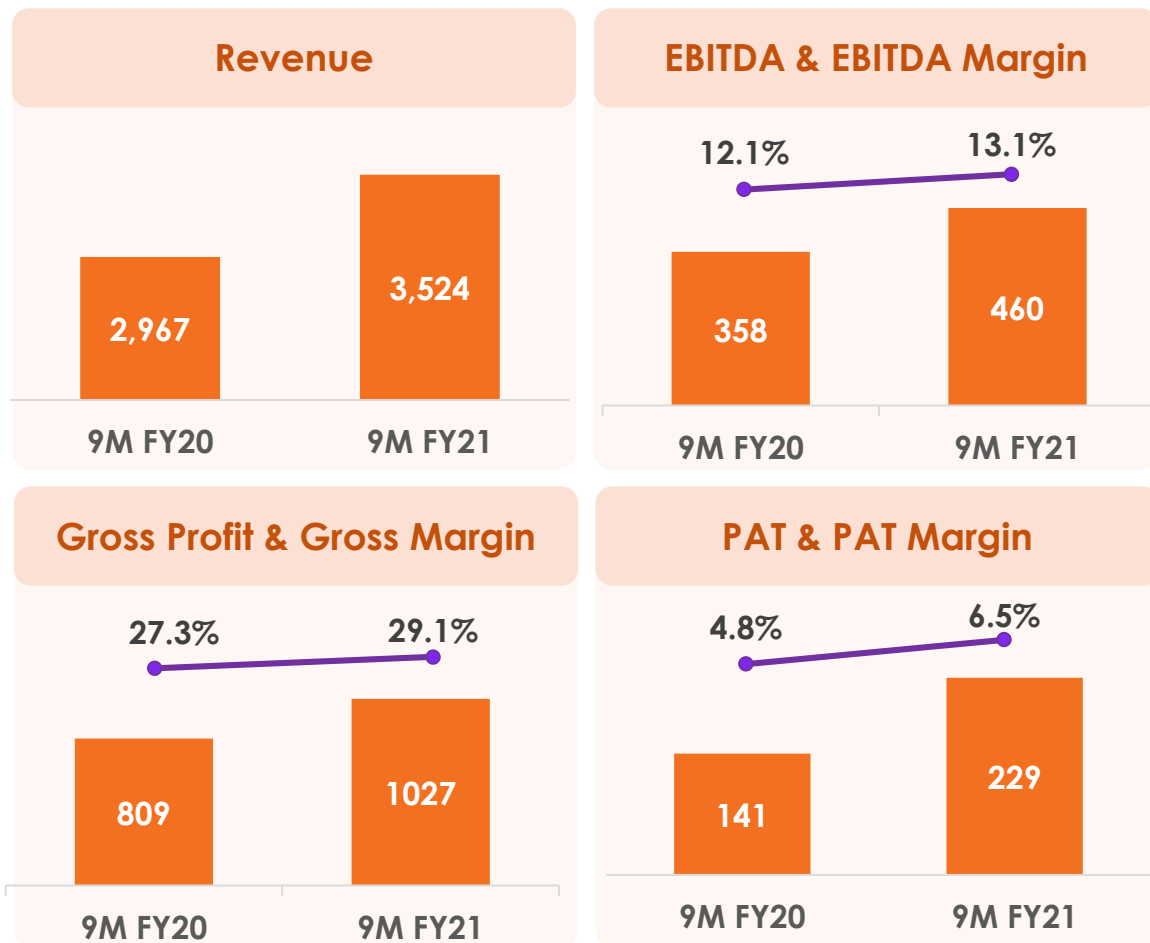
Marketing Initiatives

Strategic Focus

Shareholding Pattern



9M FY21 – Strong All-Round Growth



- Revenue up 19% y-o-y
- Gross Profit Margins increased by 188 bps on y-o-y basis, due to:
 - Change in product mix
 - Lower input costs
- EBITDA higher by 28% and margins have increased by 97 bps on y-o-y
- PAT increased by 63% y-o-y and margins have increased by 176 bps, aided by saving in Finance Cost

All Figures in Rs. cr unless specified

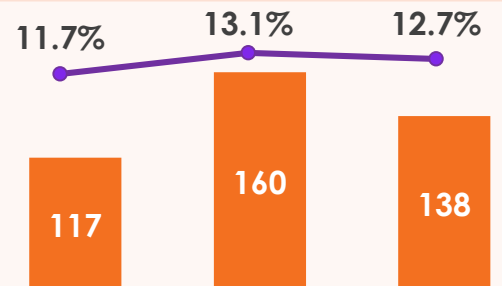
Q3 FY21 – Stable Operational Performance

Revenue



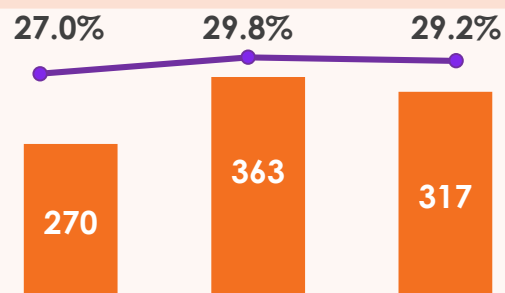
Q3FY20 Q2FY21 Q3FY21

EBITDA & EBITDA Margin



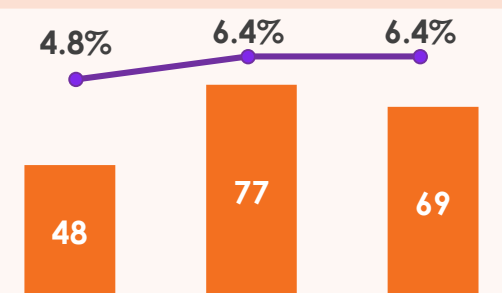
Q3FY20 Q2FY21 Q3FY21

Gross Profit & Gross Margin



Q3FY20 Q2FY21 Q3FY21

PAT & PAT Margin



Q3FY20 Q2FY21 Q3FY21

- Revenue up by 9% y-o-y
- Gross Profit Margins increased by 214 bps on y-o-y basis, due to:
 - Change in product mix
 - Lower input cost
- EBITDA higher by 18% and margins have increased by 95 bps on y-o-y due
- PAT increased by 44% y-o-y and margins have increased by 155 bps, aided by saving in Finance Cost

- Revenue down by 11% q-o-q, due to neutralising impact of stocking up that happened during lockdown
- Gross Profit Margins decreased by 59 bps on q-o-q basis, due to change in geography mix
- EBITDA Margins decreased by 44 bps
- PAT Margins were maintained at 6.4%, due to savings in Finance Cost

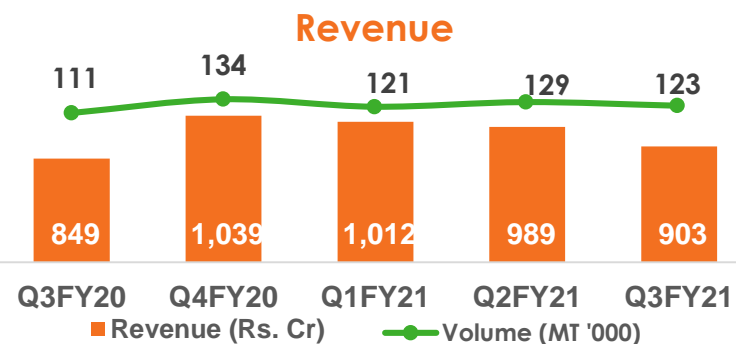
All Figures in Rs. cr unless specified

Segment-Wise Revenue Break-Up

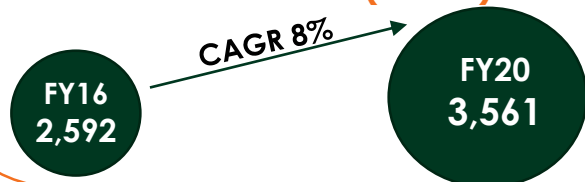
Basmati & Other Specialty Rice



- ✓ Flagship brands Daawat and Royal
- ✓ Other global brands such as Indus Valley, 817 Elephant, Heritage, Devaaya and Rozana



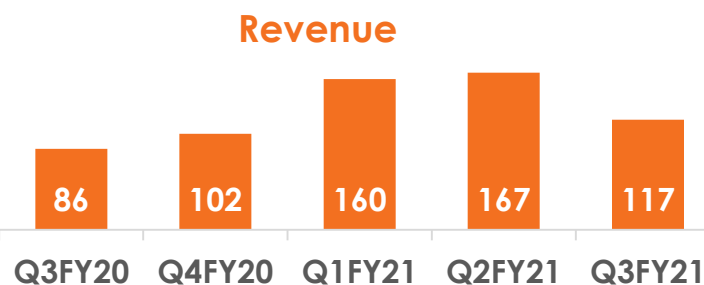
Revenue Growth (Rs. Cr)



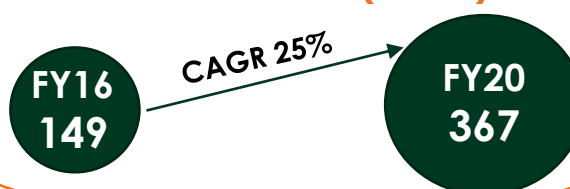
Organic Business



- ✓ Diversified portfolio comprising of organic cereal grains, flour, pulses, oil and oil seeds, nuts, spices, herbs, millets and sweetener



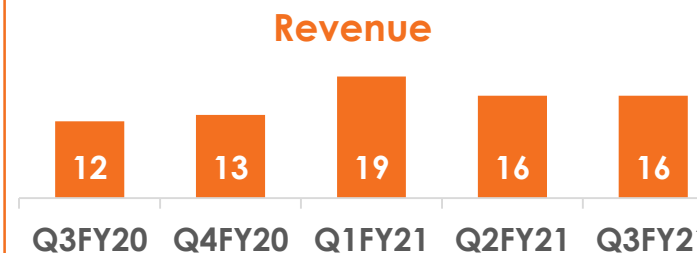
Revenue Growth (Rs. Cr)



New Product Portfolio



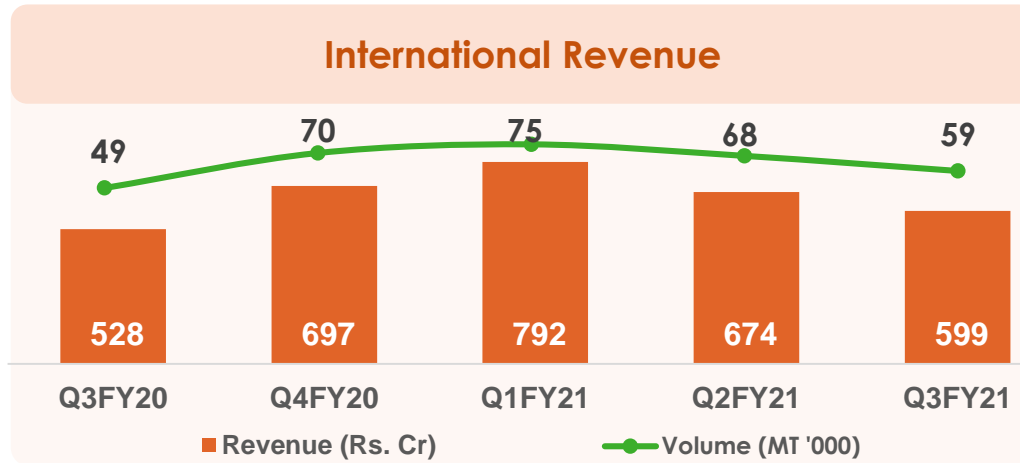
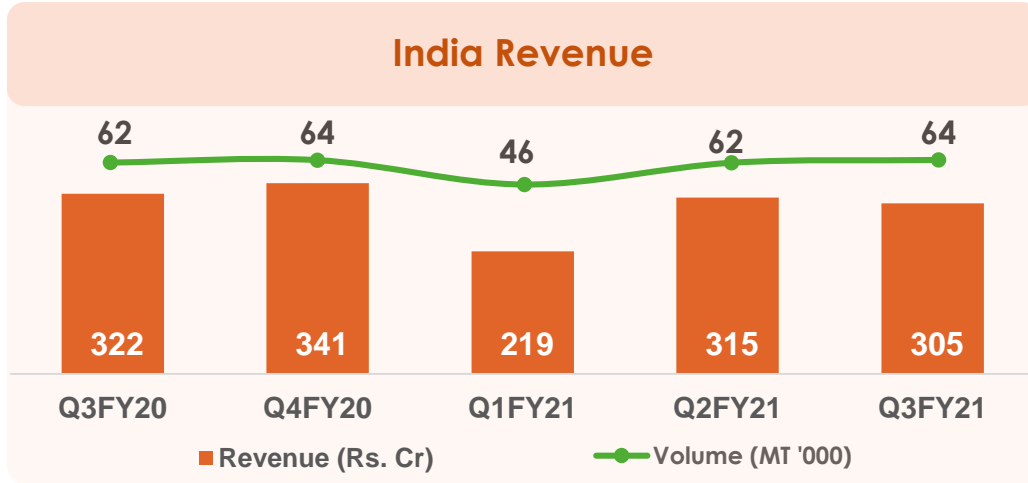
- ✓ Health Segment – Daawat Quick Cooking Brown rice, Daawat Sehat
- ✓ Convenience Segment – Daawat Sauté Sauces, Daawat Cuppa Rice, Royal Ready-to-Heat, Kari Kari



Revenue Growth (Rs. Cr)



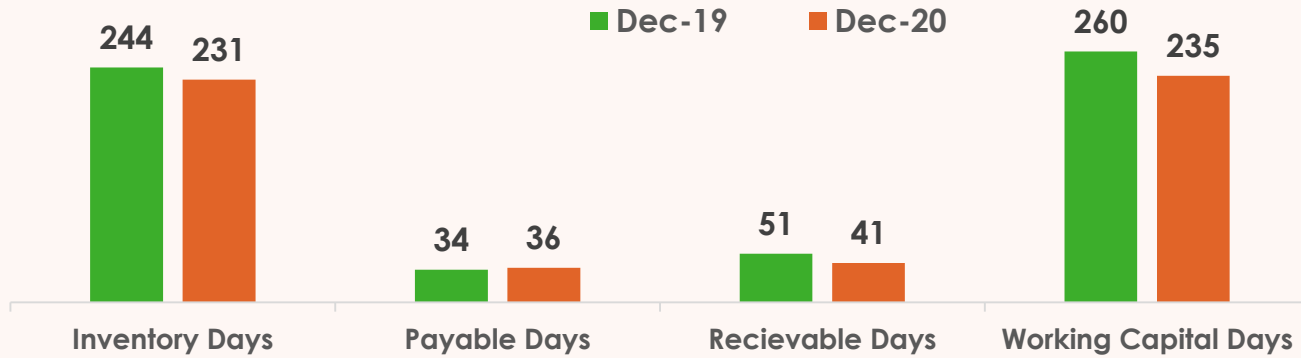
Basmati & Other Specialty Rice Break-Up



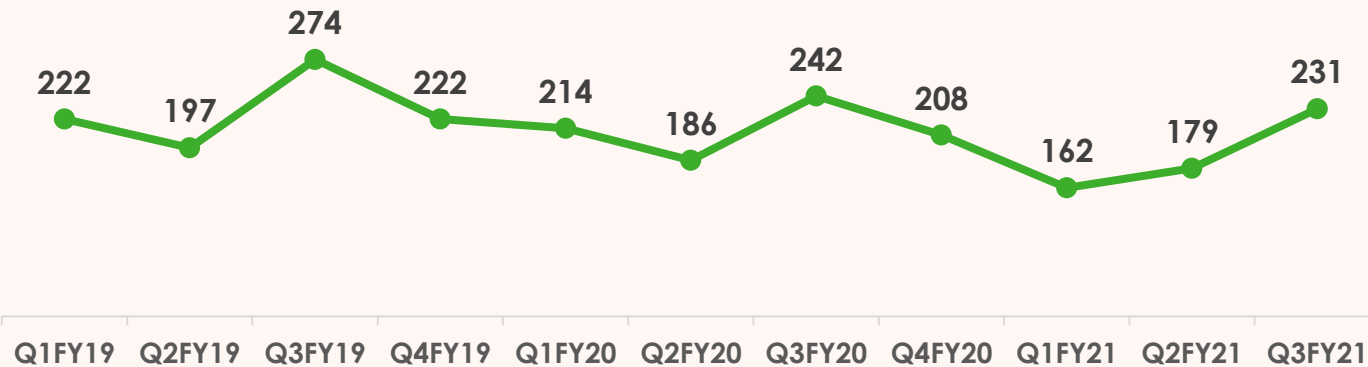
* Q1 FY21 Basmati & Other Specialty numbers were re-instated

Inventory and Working Capital

Working Capital Days



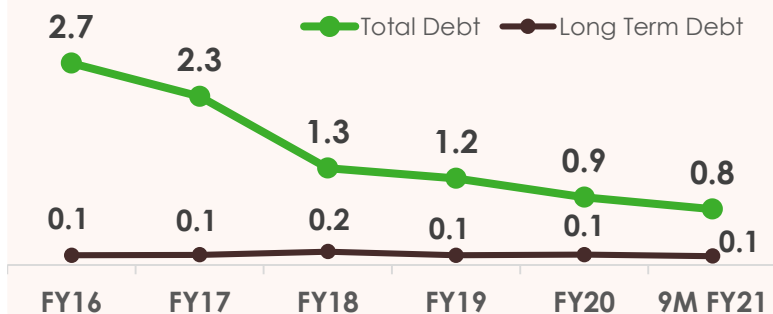
Inventory Days



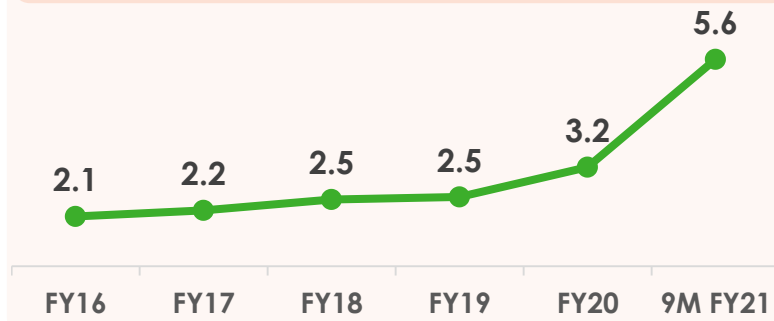
- Procurement of Paddy starts in Q3; this results in increase in inventory in Q3. It starts reducing in subsequent quarters and reaches the lowest level by Q2
- Basmati Rice is aged up to 24 months to enhance & intensify taste, aroma ,and cooking characteristics. This requires company to maintain large inventory of paddy & rice.

Key Financial Ratios and Other Growth Parameters

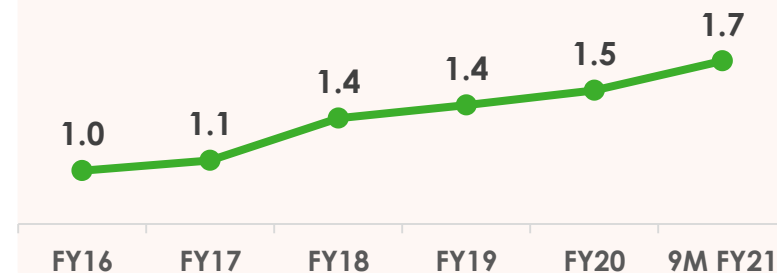
Debt/Equity



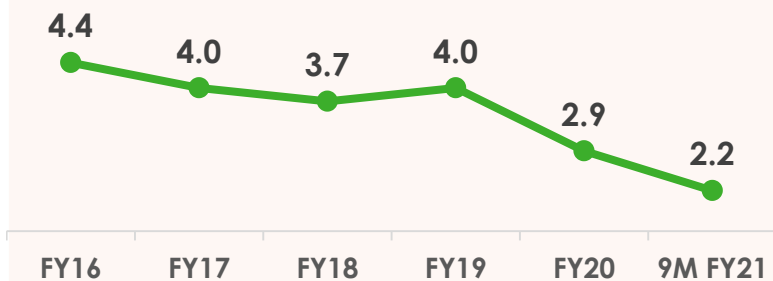
Interest Coverage Ratio



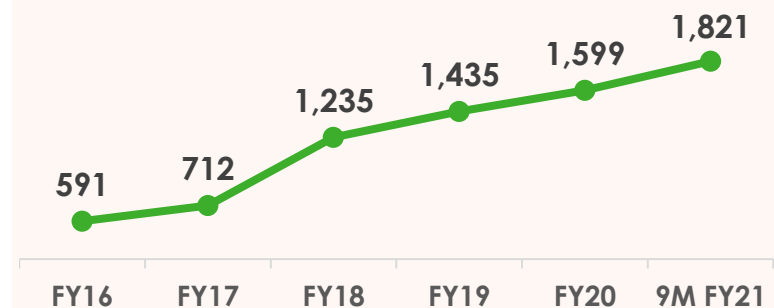
Current Ratio



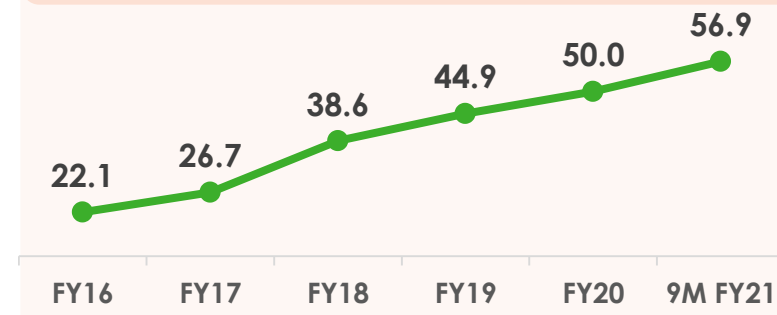
Debt EBITDA Ratio



Net worth (Rs. Cr)



Book value per share (Rs.)

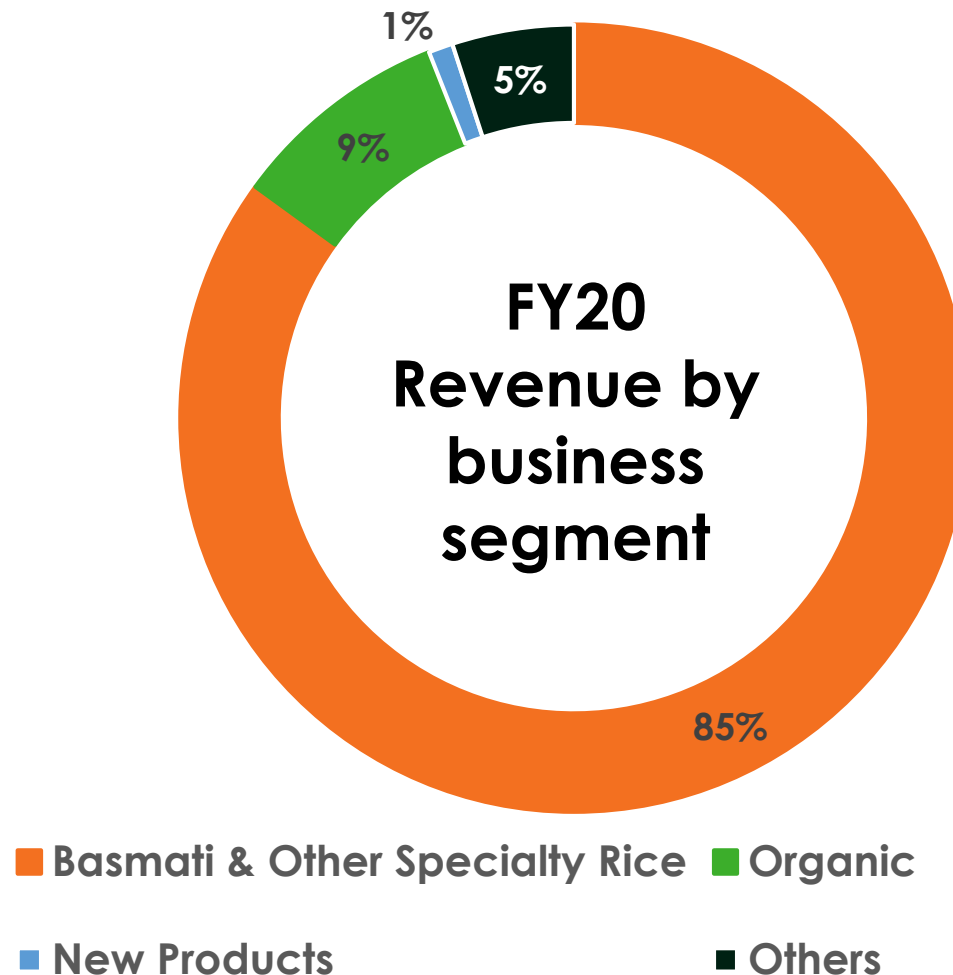
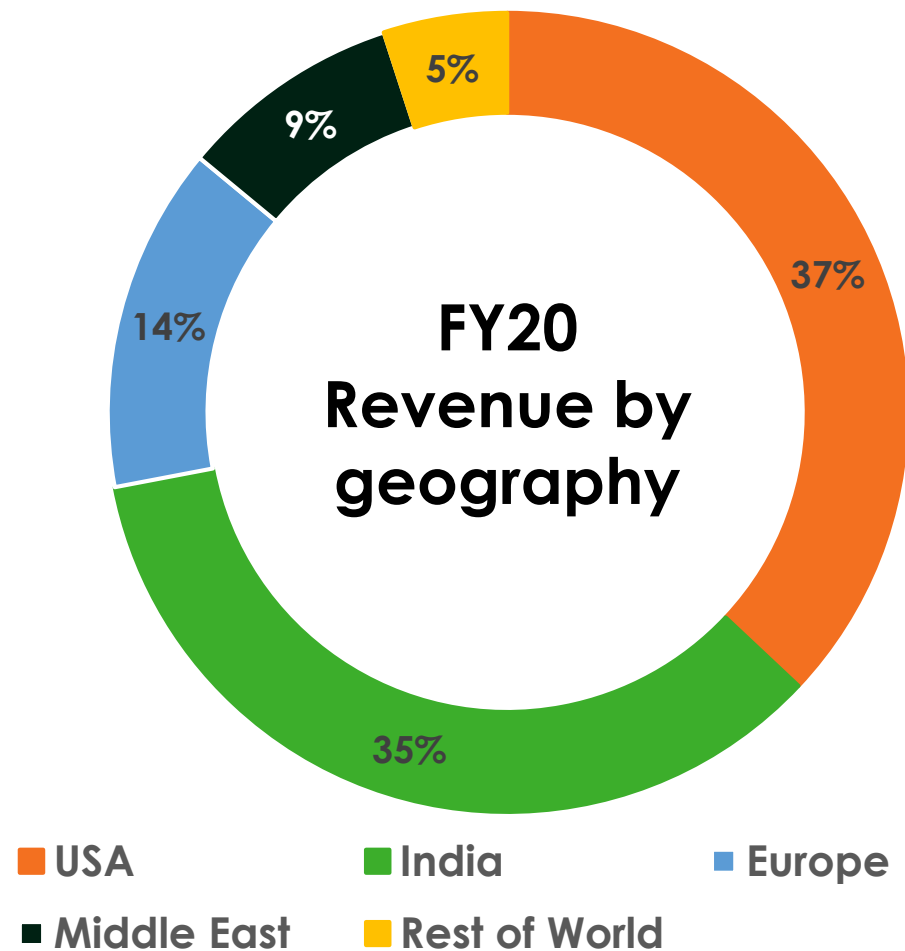


Strength of Balance Sheet being reflected with Strong Credit Rating:

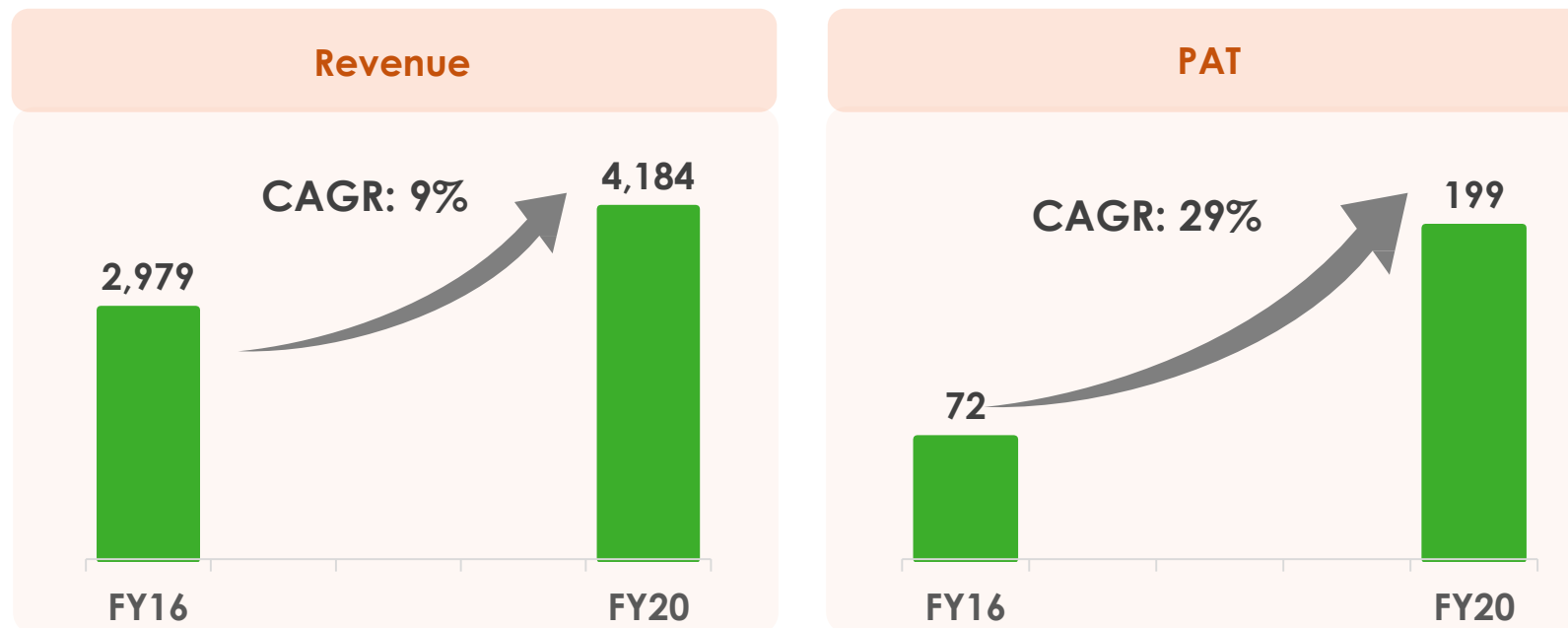
A- Positive outlook by CRISIL, IND A Positive outlook by Ind-Ra and BWR A+ Stable outlook by Brickwork

Global Footprint & Diversified Portfolio

Our diversified market presence as well as our balanced portfolio, serving a wider consumer audience, positions us to capitalize on emerging opportunities in the consumer food business.



Maximising Shareholders Wealth by Strategic Focus towards Profitable Growth



Growth in revenue is being supported by strengthening the brands, widening distribution network and increasing brand penetration across all consumer segments with product portfolio expansion in the Health & Convenience Platform. PAT Margins have expanded aided by growth in EBITDA, savings in Finance Cost and lower Effective Tax Rate

All Figures in Rs. Cr unless specified

Contents

Key Highlights

Financial Update

Capital Allocation Plan

Marketing Initiatives

Strategic Focus

Shareholding Pattern



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 Organic business along with the new growth engines launched under the Health and Convenience 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

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 Repayment



Goal is to maintain our Debt/ EBITDA ratio less than 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 profits

Contents

Key Highlights

Financial Update

Capital Allocation Plan

Marketing Initiatives

Strategic Focus

Shareholding Pattern



Strengthening Brand Equity for our brand Daawat in Indian Market

TV Campaign in AP and Telangana

Became market leader in AP with 35% Market share across all Channels & 39.2% market share in Modern Trade



Consumer Promotion in Daawat Pulav & Daawat Brown Rice

Container free with Daawat Pulav
Dalia free with Daawat Brown Rice



Making 'Out of Home' Brand Presence Stronger

Bus Shelters in Delhi



70 BQS In New Delhi

Dealer signboards for retailers in UP



150 dealers across 3 main cities
Agra, Prayagraj and Gorakhpur

Outdoor activity in Gujarat



Various Brand Initiative in Digital Space

Influencer Campaign

Meghna – Food Instagrammer of the year



Gobblegrams



Brown Digital Campaign



Total Audience Available 61 lakhs +
Total Reach 42 lakhs +
Total Views 170 lakhs +

Media Campaign in Ecommerce



Daawat is currently market leader in leading Ecommerce platforms

Digital Advertising

- Digital Film was launched in Delhi NCR with a robust media plan.
- Daawat Sehat – A 6 sec bumper advertisement with a clear Message Daawat Sehat is Iron and Vitamin Poshan yukt mogra



Total Views 10 lakhs +

Gujarat Specific Campaign in Digital



Total Audience Available 23 lakhs +
Total Reach 21 lakhs +
Total Views 70 lakhs +

Strengthening our brands with consumer communication highlighting superior quality and product performance to capitalise on the new opportunities of growth

Strengthening Brand Equity of our brand Daawat Globally

Listed at Jumbo, the Dutch Supermarket Chain



- *Daawat Basmati Rice range is now available at Jumbo, the Dutch supermarket chain across all 660 stores in Netherlands.*
- *Jumbo has stores in Netherlands & Belgium and command a 21% market in Netherlands alone*

Daawat Cuppa Rice In-store promotion in Middle East



Middle East special festive promotion



Strengthening our brands with consumer communication highlighting superior quality and product performance to capitalise on the new opportunities of growth

Strengthening Brand Equity of our brand Royal in America

Print and Digital Advertising

Print Media



Total Impressions **90 lakhs +**

Digital/Social



Strong social media presence focused on Diwali, Influencer Campaign and the Holidays



Total Impressions **180 lakhs +**
Total Reach **60 lakhs +**

Digital & Print Coupon(s)

Drive Consumer Traffic & Trial through *ibotta* digital platform and offer e-coupons



Total Redemptions **11,000**
Total Impressions **50 lakhs +**

Product Innovation

Launched Royal White Basmati (40lb)



Launched Royal Brown Basmati (40lb)



Royal Programming Update

Royal Chef's Secret and Royal Sona Masoori



Strengthening our brands with consumer communication highlighting superior quality and product performance to capitalise on the new opportunities of growth

Contents

Key Highlights

Financial Update

Capital Allocation Plan

Marketing Initiatives

Strategic Focus

Shareholding Pattern



Strategic Focus



Margin Expansion

- Change in Product Mix
- Efficiencies across value chain
- Economies of Scale



Growth

- Solidify the leadership position in key markets
- Increase consumer penetration across segments to grow current market share
- Strengthen & widen distribution network
- Expand existing product portfolio and launch new products leveraging brand & distribution strength i.e. Rice based snacks, Ready to Eat and Ready to Cook
- Expand organic portfolio in value added segments



Strengthen Financial Metrics

- Improve EBITDA margins by ~ 50bps - 100bps p.a.
- Strengthen the Balance Sheet
- Improve ROCE & ROE

Maximizing shareholder return through creating a fully integrated, global, sustainable, predictable, profitable and growing consumer business

Contents

Key Highlights

Financial Update

Capital Allocation Plan

Marketing Initiatives

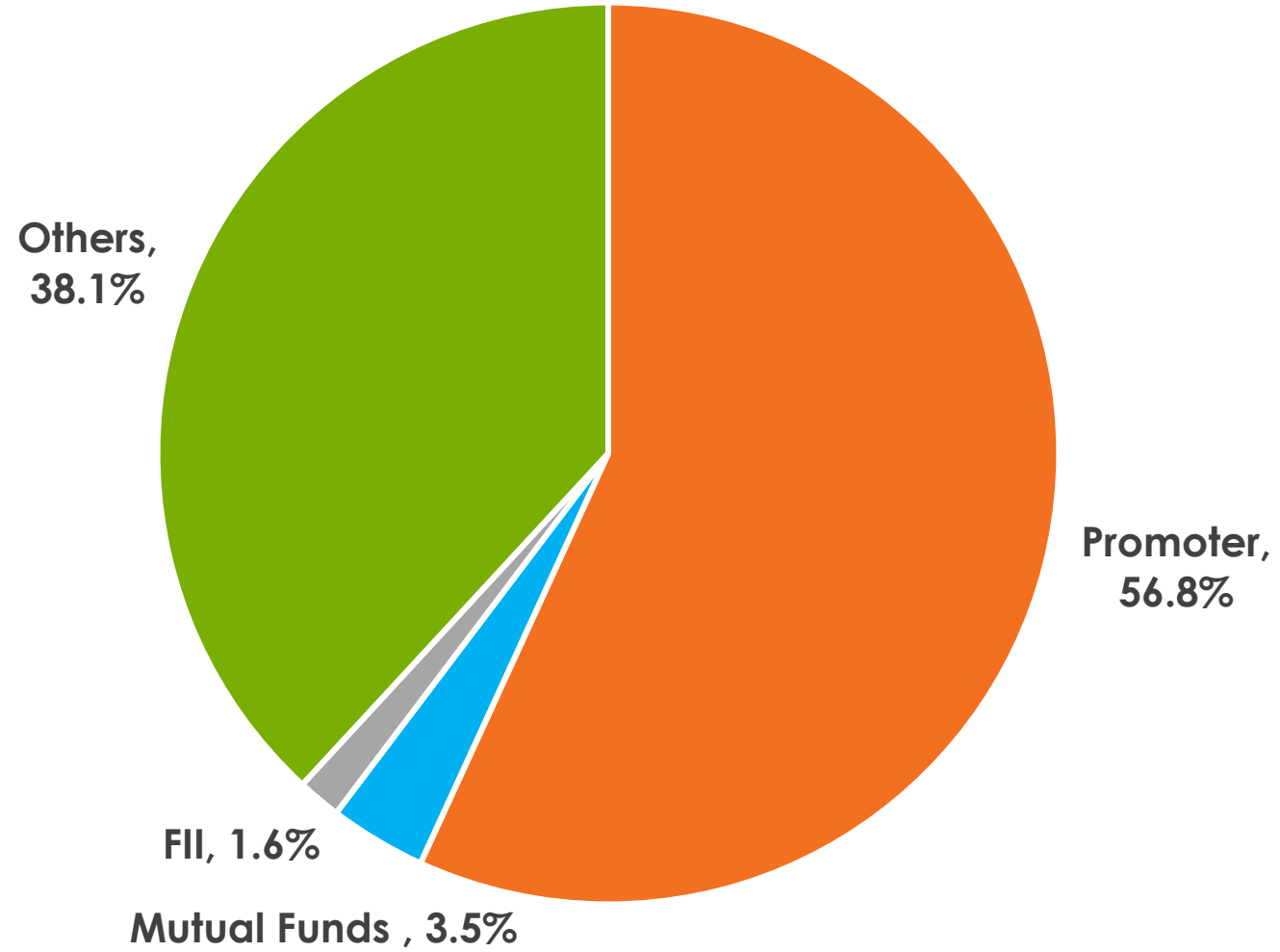
Strategic Focus

Shareholding Pattern



Shareholding Pattern

As on December 31, 2020



Investor Contact

Ms. Monika Chawla Jaggia
Email: Monika.Jaggia@ltgroup.in
Tel: 0124-3055210

CIN: L74899DL1990PLC041790

Website: ltgroup.in

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

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World of LT foods



Devaaya



ecolife



KARI-KARI
JAPANESE PREMIUM SNACKS

