



LT Foods



Investor Presentation

1HY FY21 & Q2 FY21

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1HY FY21 Key Highlights

Basmati & Other Specialty Rice business up by **20%**

Organic business up by **82%**

New Products Portfolio up by **69%**

Gross Profit up by **32%**

EBITDA up by **34%**

EPS up by **78%**

Cash generated from operations of **Rs.436 cr**

Improvement in Debt to EBITDA ratio¹ (**1.7x** vs **2.6x**)

Debt down by **Rs. 150cr**

ROCE¹ improved by **422 bps** (**18.6%** vs **14.4%**)

ROE¹ improved by **583 bps** (**18.1%** vs **12.3%**)

ROCE² Normalised up by **440 bps** (**19.5%** vs **15.2%**)

1. Annualized Basis

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

Q2 FY21 Key Highlights (Y-o-Y)

Basmati & Other Specialty Rice
business up by **19%**

Organic business up by **86%**

New Products Portfolio up by
40%

Gross Profit up by **35%**

EBITDA up by **39%**

PAT up by **64%**

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Current Consumer Trends

- **Consumers habits, preferences and spend patterns witnessing a gradual shift towards being a conscious consumer with respect to healthier eating habits**
- **Safety and Hygiene trend boosts demand for Branded/Packaged Food products**
- **Increased penetration in new homes for Branded/Packaged Food Products expected to stay**
- **Work from home and reduced outing, is driving sales of Health and Convenience products by making life comfortable**
- **Due to limited mobility since the pandemic, E-commerce has emerged as one of the channels that is gaining good traction**
- **Digital has emerged as a key platform to increase penetration among consumers**

Right-to-Win

Strong Global Brands to Provide Superior Consumer Experience

- Flagship Brands “Daawat” and “Royal” enjoy leadership positions in India and US with market share of 27% and 50% respectively
- Other brands such as Heritage, Devaaya, Gold Seal Indus Valley, 817 Elephant, Rozana also enjoy leadership position in other countries

Robust Global Supply Chain

- Complete control on the value chain from “Farm to Fork”
- Global Supply chain hubs and strategically located manufacturing units across India
- Automated state of the art manufacturing units with less dependence on labour

LT Foods has well defined strategies in place for further Growth in Margin Expansion and Strengthening of Financial Metrics

Distribution & Marketing

- Well entrenched distribution network in 60+ countries with 800+ distributors across globe
- Adopted Go-To-Market Strategies across geographies
- Enabled tele-ordering and partnered with delivery partners to reach to consumers in these unprecedented times
- Strengthened presence across digital platforms and launched digital campaigns to strengthen the brand share

Culture of Excellence

- Resilient implementation of the strategies by LT Group’s Team Members
- Create a culture of entrepreneurship and organization – wide collaboration

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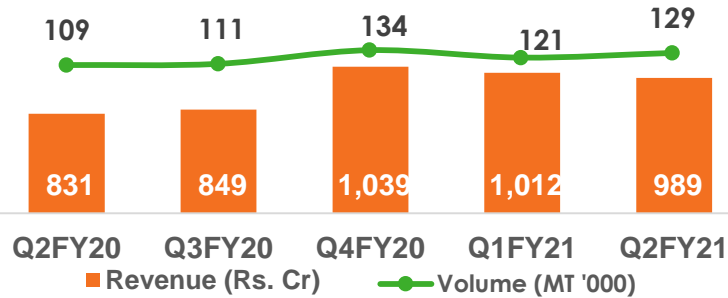
Segment-Wise Revenue Break-Up

Basmati & Other Specialty Rice



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

Revenue (Rs. Cr)



Revenue Growth (Rs. Cr)

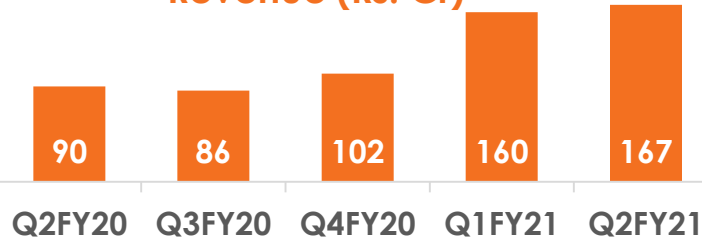


Organic Business

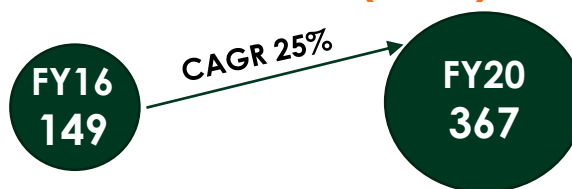


- ✓ Diversified portfolio comprising of organic cereal grains, flour, pulses, oil and oil seeds, nuts, spices, herbs, millets and sweetener

Revenue (Rs. Cr)



Revenue Growth (Rs. Cr)

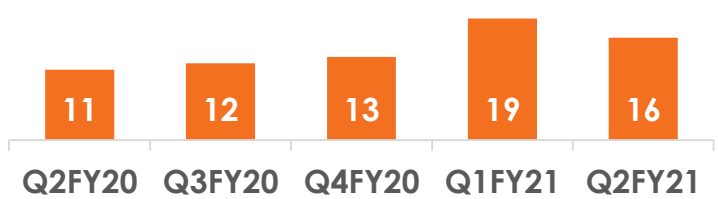


New Product Portfolio



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

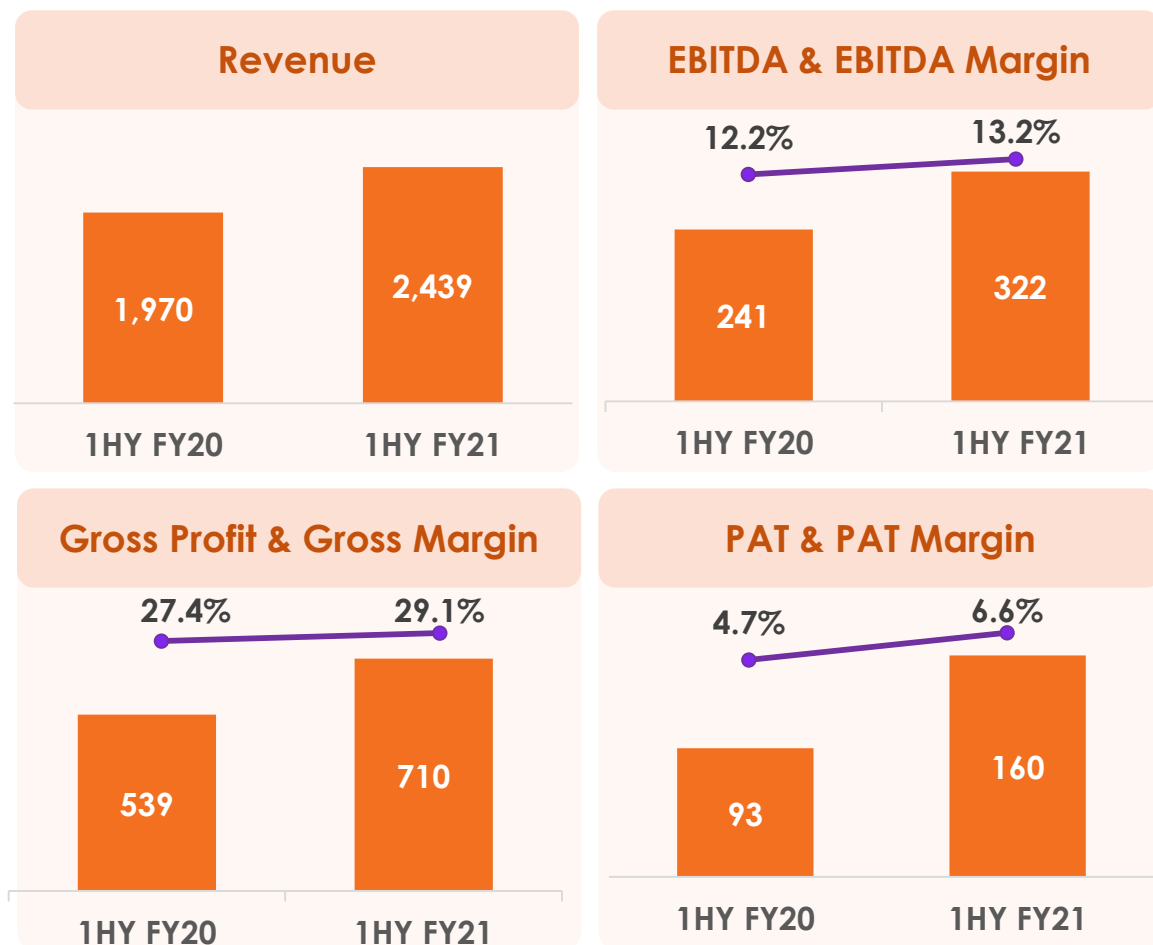
Revenue (Rs. Cr)



Revenue Growth (Rs. Cr)



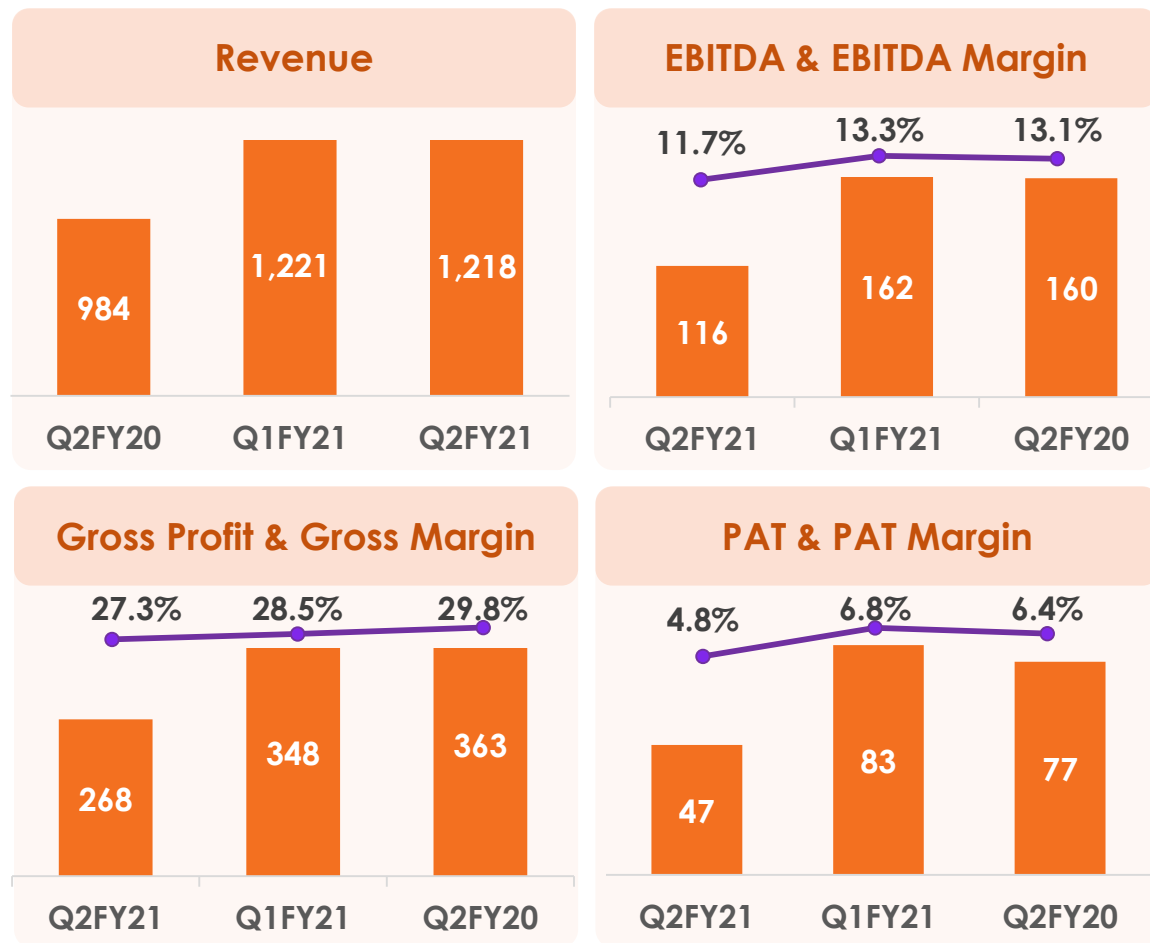
1HY FY21 – Result of Well Defined Strategies and Implementation



- Revenue up 24% y-o-y
- Gross Profit Margins increased by 175 bps on y-o-y basis, due to:
 - Change in product mix towards higher margin products
 - Impact of lower input cost
- EBITDA higher by 34% and margins have increased by 96 bps on y-o-y due to increase in Gross Profit
- PAT increased by 73% y-o-y and margins have increased by 185 bps, aided by saving in Finance Cost

All Figures in Rs. cr unless specified

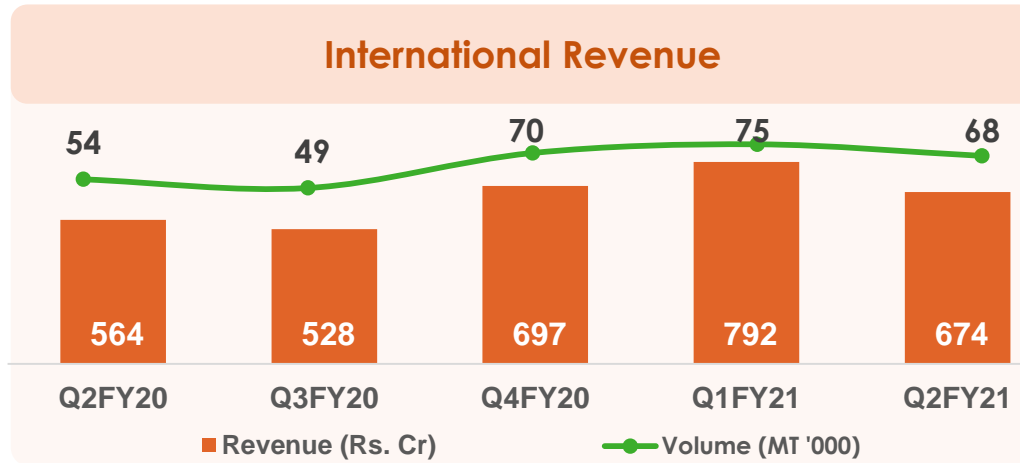
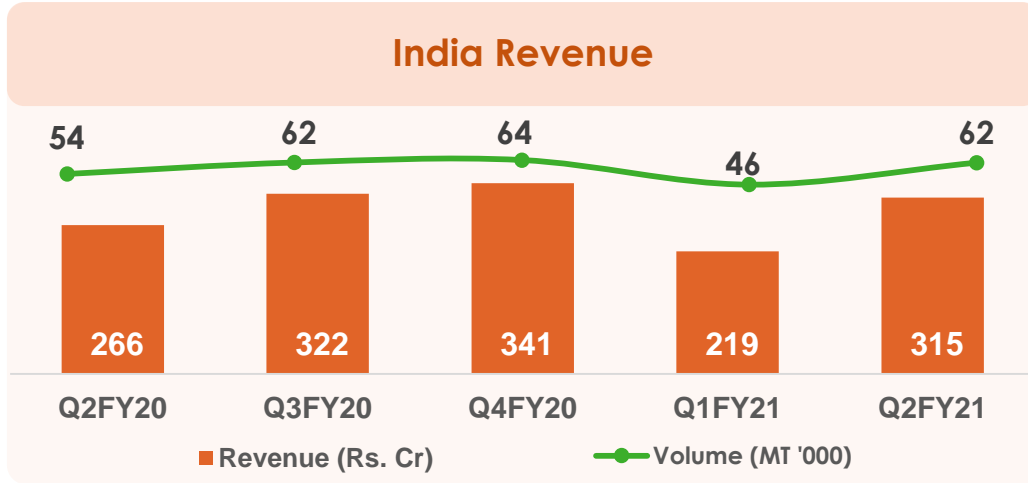
Q2 FY21 – Continues to deliver Strong Operating Performance



- Revenue up 24% y-o-y
- Gross Profit Margins increased by 252 bps on y-o-y basis, due to:
 - Change in product mix towards higher margin products
 - Impact of lower input cost
- EBITDA higher by 39% and margins have increased by 140 bps on y-o-y due to increase in Gross Profit
- PAT increased by 64% y-o-y and margins have increased by 155 bps, aided by saving in Finance Cost

All Figures in Rs. cr unless specified

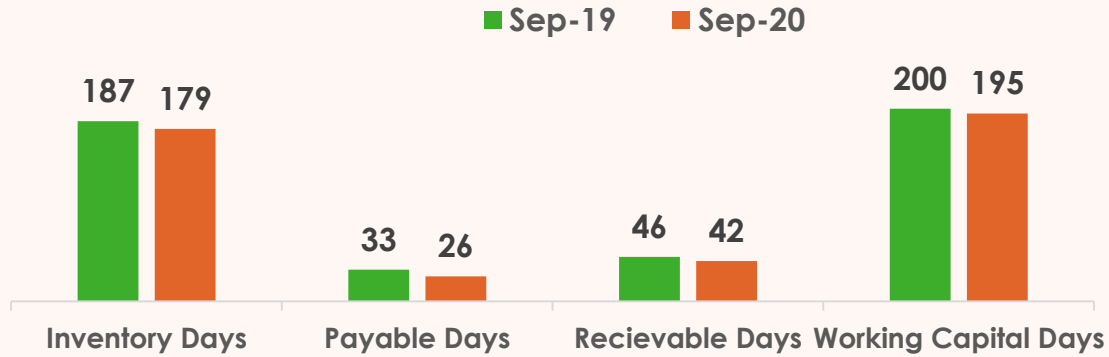
Basmati & Other Specialty Rice Break-Up



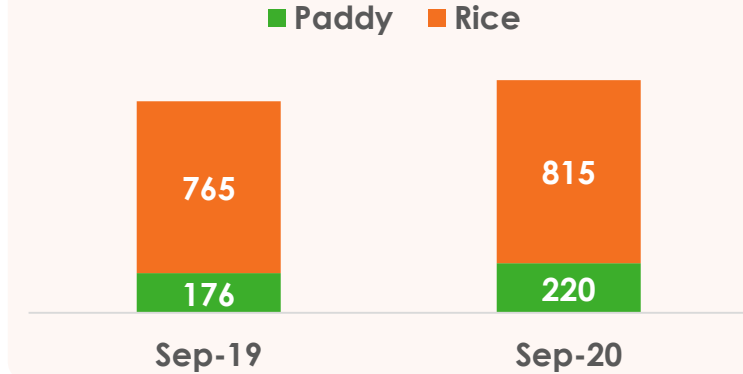
* Q1 FY21 Basmati & Other Specialty numbers were re-instated

Inventory and Working Capital

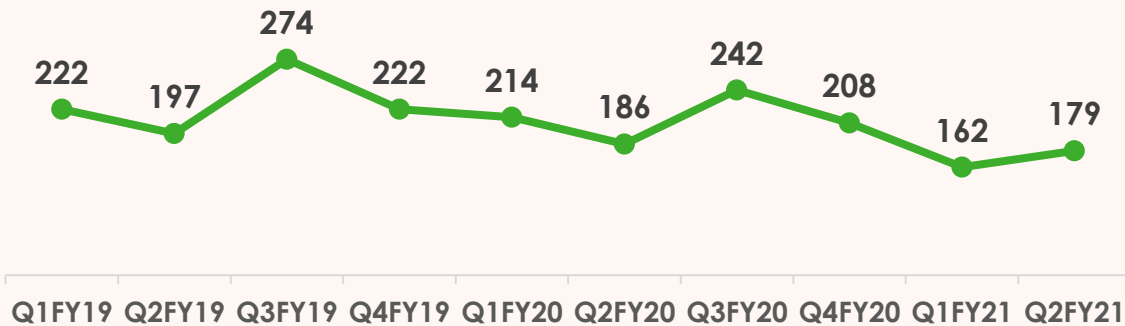
Working Capital Days



Inventory Value (Rs. Cr)



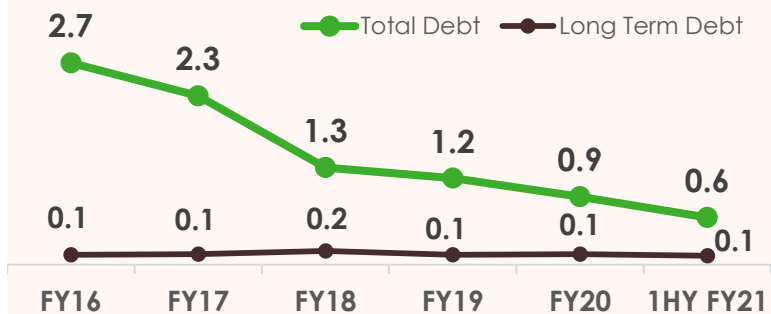
Inventory Days



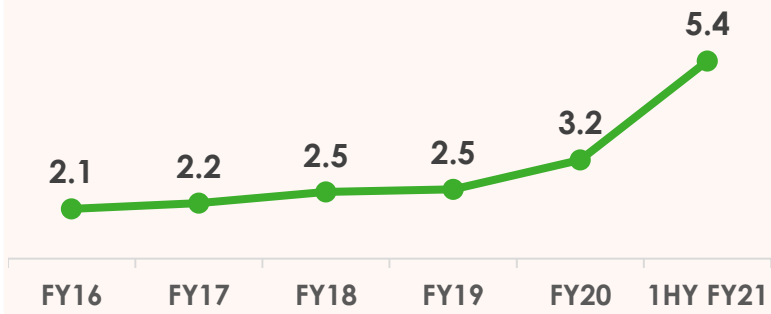
- Procurement of Paddy starts in Q3; this results in increase in inventory in Q3. It starts reducing in subsequent quarters and reaches the lowest level by Q2
- Basmati Rice is aged up to 24 months to enhance & intensify taste, aroma, and cooking characteristics. This requires company to maintain large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

Key Financial Ratios and Other Growth Parameters

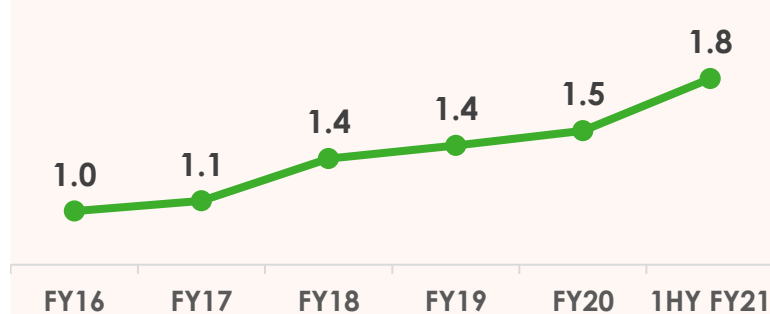
Debt/Equity



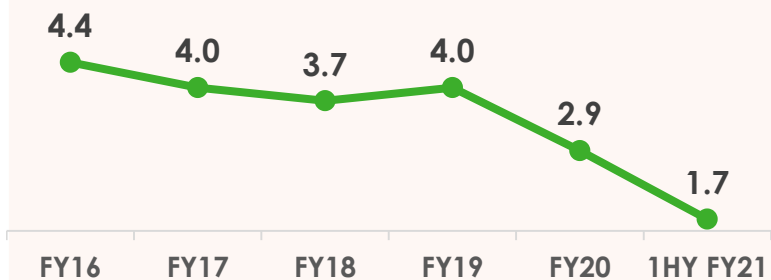
Interest Coverage Ratio



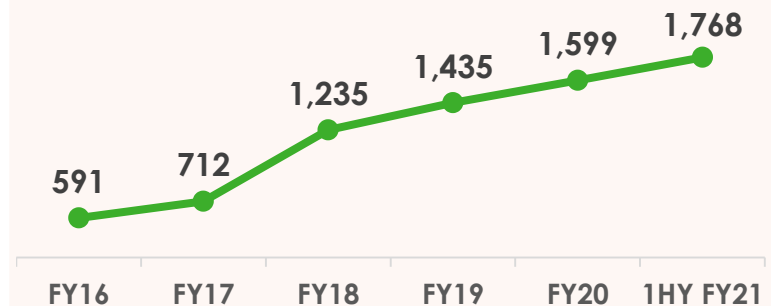
Current Ratio



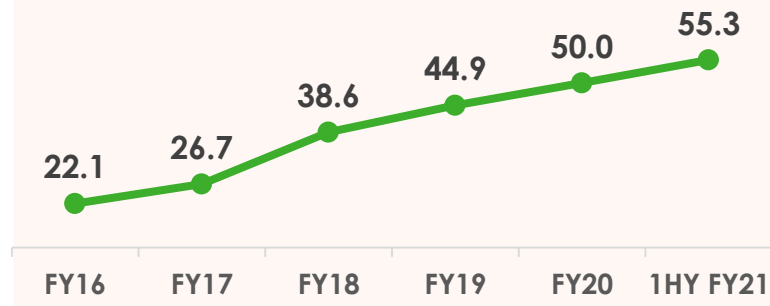
Debt EBITDA Ratio



Net worth (Rs. Cr)



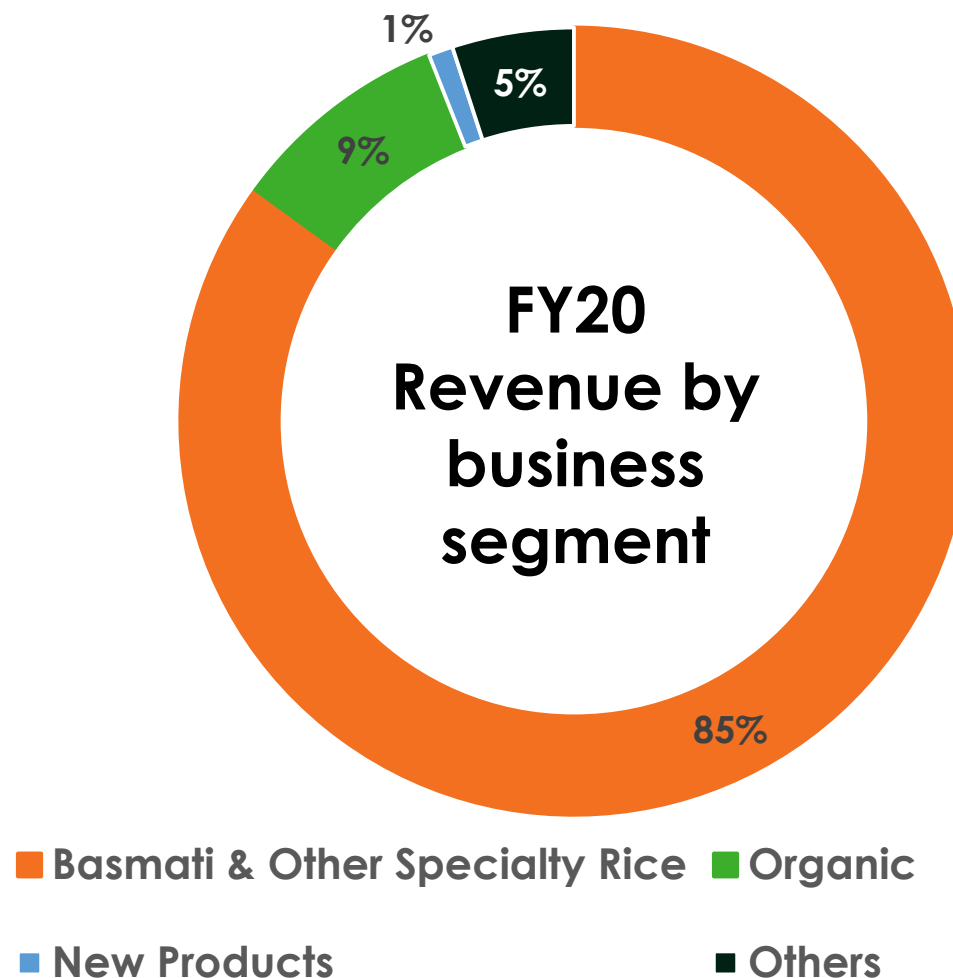
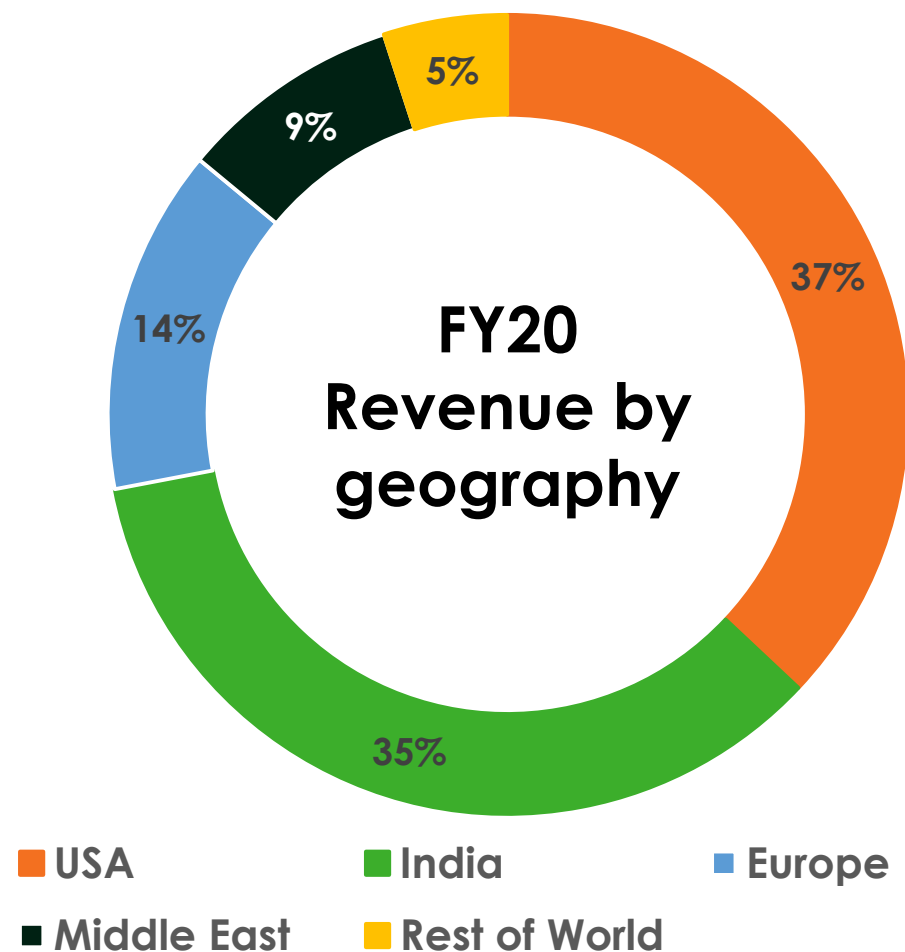
Book value per share (Rs.)



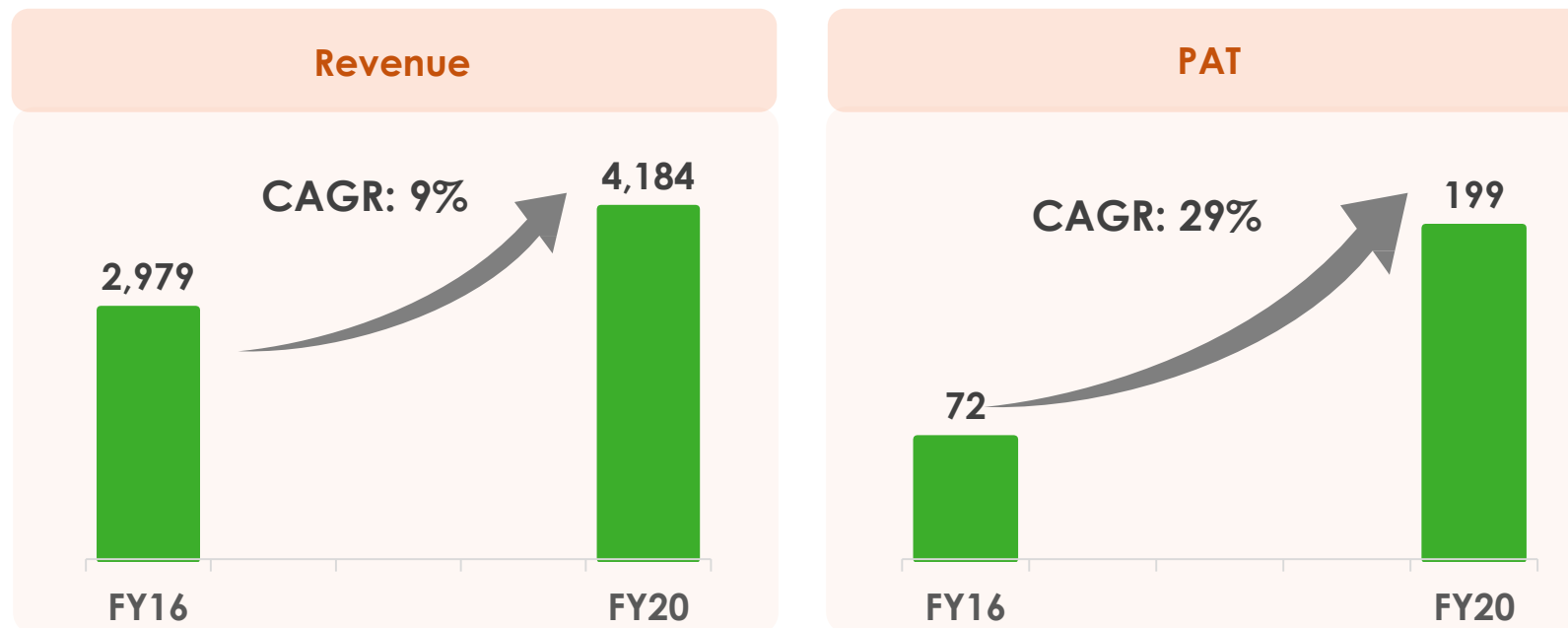
Strength of Balance Sheet being reflected with Strong Credit Rating: A- Stable Outlook (CRISIL)

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

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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

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Strengthening Brand Equity for our brand Daawat in Indian Market

Launch of New TVC for Rakhi Festival

Daawat celebrates the unbreakable bond of siblings through the video, themed around 'Khud ki raksha karke apno ki raksha karein'.



Total Impressions

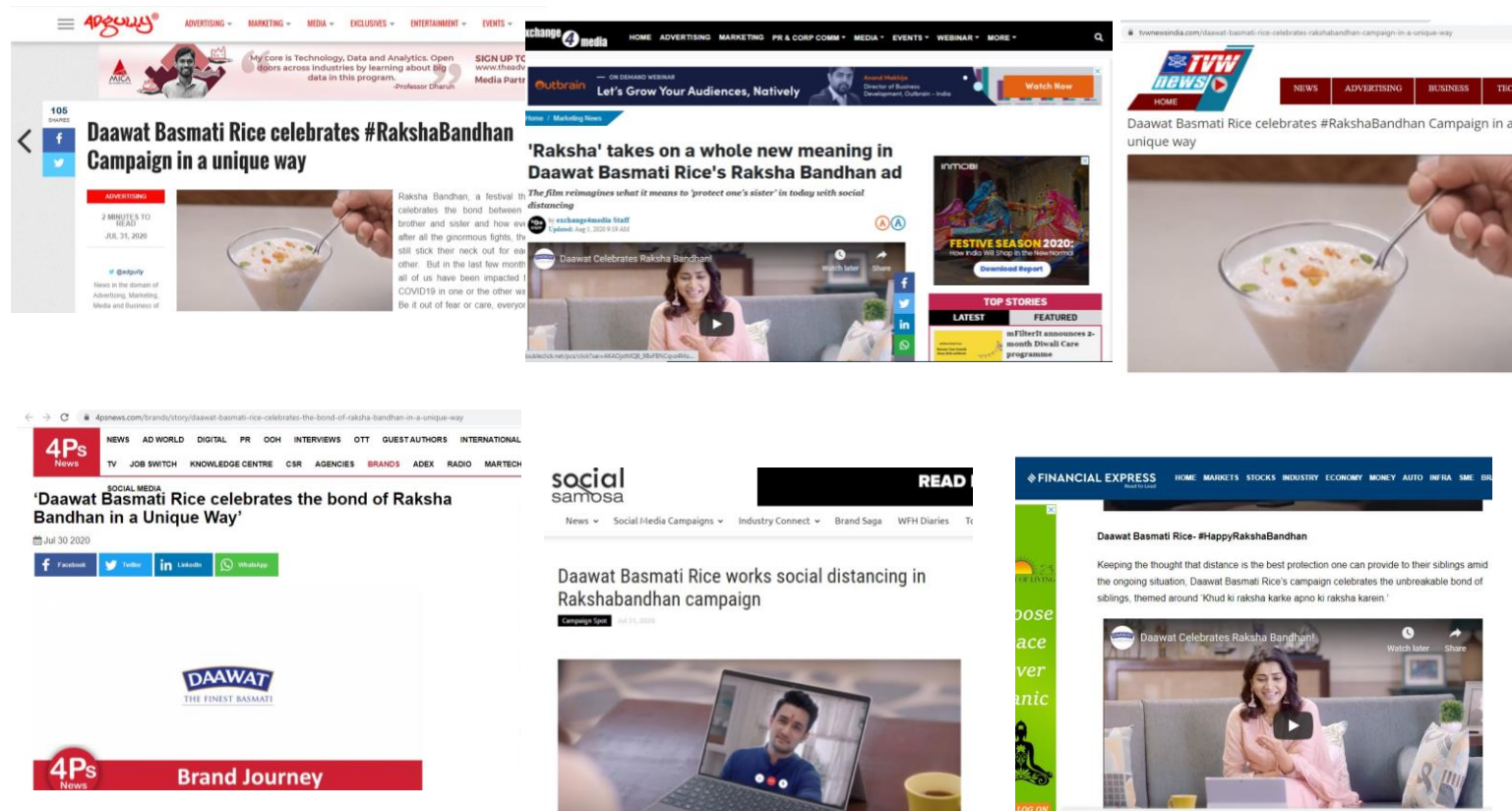
27.4 mn.

Total Views

8.3 mn.



Rakhi Campaign attracted massive PR coverage in many of the leading Media houses



Strengthening Brand Equity of our brands Daawat and Royal in International Market

New advertisement for Royal Soya Masoori

Drive top of the mind brand awareness for Royal Sona Masoori amongst South Indian consumers



Royal wins Silver at 'SIA Creative Awards 2020'



New advertisement for wide range of Daawat products

Drive brand awareness for Daawat® to establish a premium positioning of the Finest Basmati in the Indian American community



Popular Properties:



Increasing Consumer Demand in store through demos, displays and ibotta digital platform

90+ Demos at Restaurant Depot and partnership with Avocado's From Mexico



Co-Branded Recipe Cards



Building awareness through End Cap and Shippers



Drive Consumer Traffic & Trial through ibotta digital platform

ibotta®

8MM+ Impressions
14K+ Redemptions



Various Brand Initiative in Digital Space

Daawat Brown Rice Digital Campaign



Total Views Total Impressions
12.5 mn. 7.4 mn.

Biryani Digital Campaign

Recipes in regional language and Regional chefs for Biryani recipes



Daawat Daawat Sehat – Digital Film

Continuing our efforts to build the brand awareness and generate trials for the iron and vitamin fortified range Daawat Sehat, we launched our digital film on digital media.



Robust Digital promotion to generate more than 50 lakh views.

AP Digital Campaign is live

Launch of New Campaign in South has led Brand to become Market leader in AP with 69.9% market share



Total Impressions Total Views Total Reach
14.4 lakhs 34.7 lakhs 7.2 lakhs

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

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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

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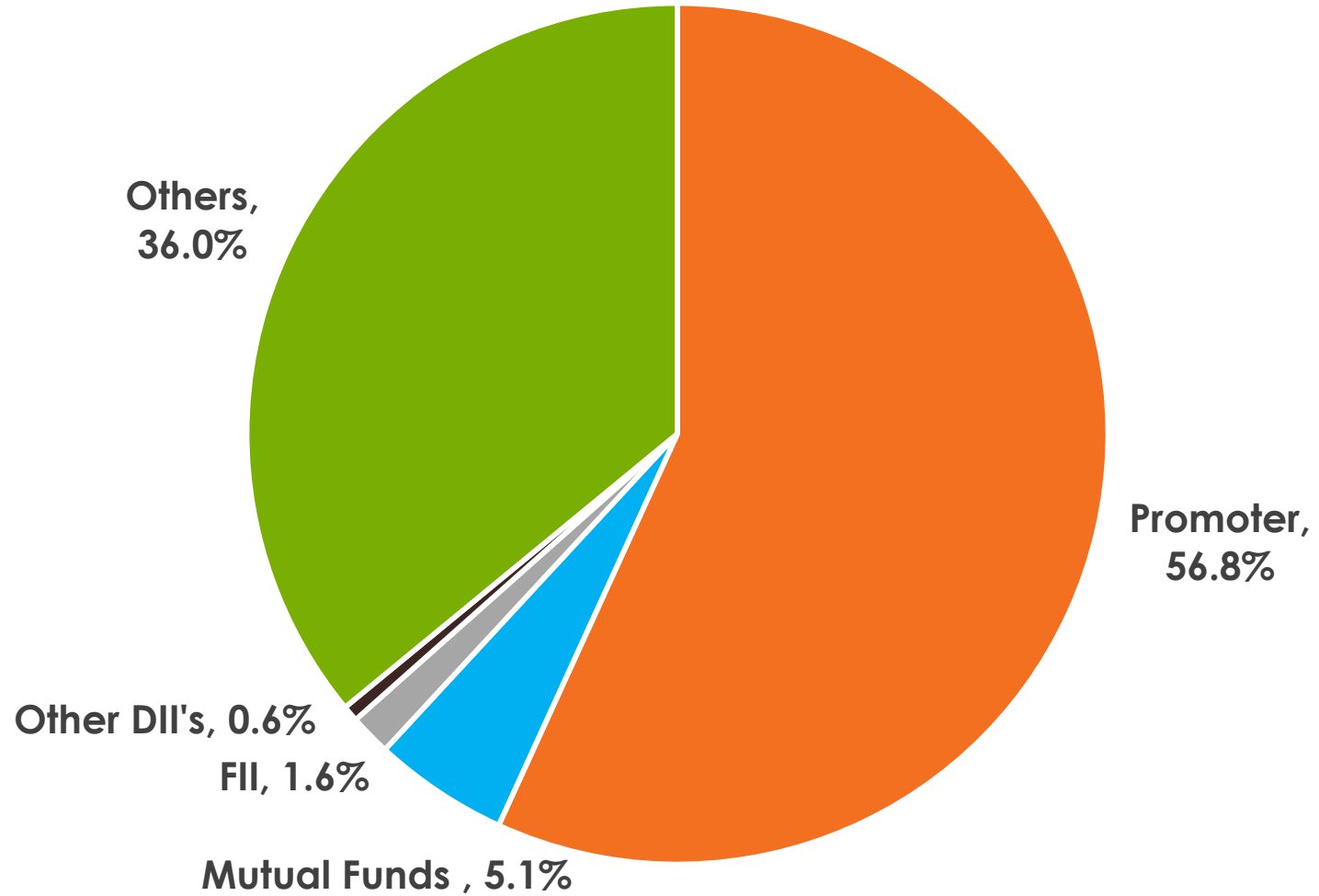
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Shareholding Pattern



Shareholding Pattern

As on September 30, 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

