



LT Foods Ltd.

DAAWAT
THE FINEST BASMATI



#1 in US



Investor Presentation – January 2016

Safe Harbor

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Evolution of LT Foods

DAAWAT
THE FINEST BASMATI



Evolved from a Rice Trader to...



1985-1995

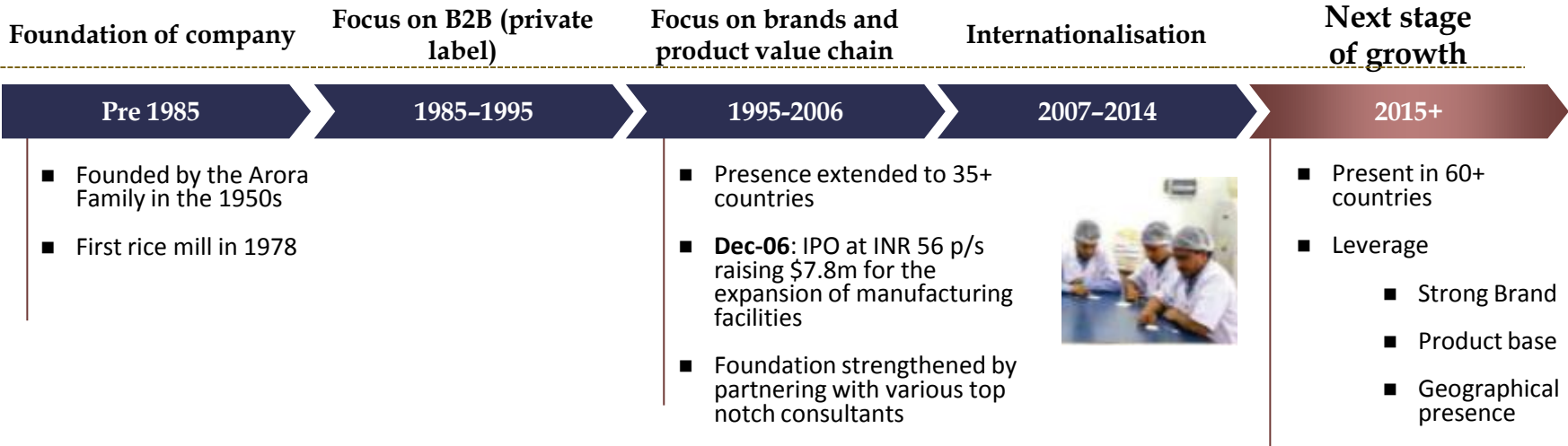
- Incorporation of LT Overseas Ltd
- Launched 'Daawat' brand in 1985
- 'Daawat' brand still in developing stages – launched the brand internationally in c. 20 countries

2007-2010

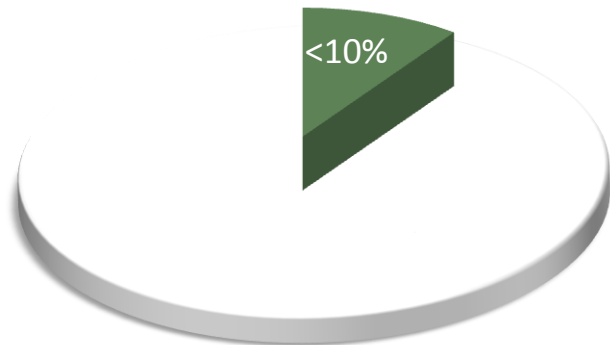
- Acquired 'Royal' brand in US
- Rabo PE invested equity capital of c. \$10m

2011-14

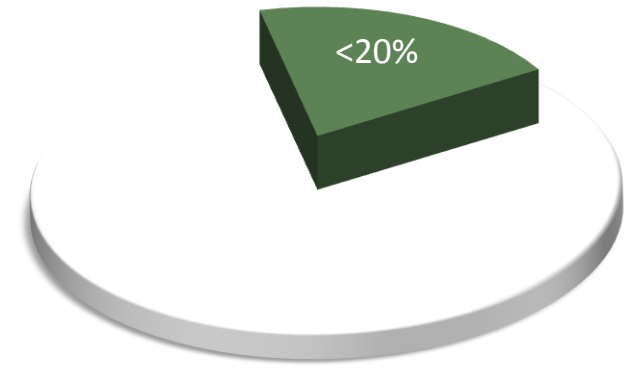
- Daawat reached #2 among basmati rice brands in India
- Launched value added staples and rice-based snacks



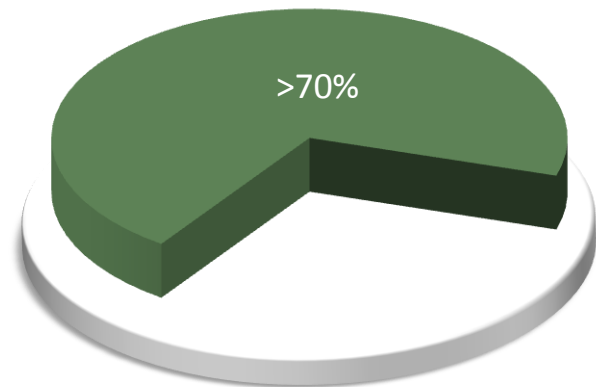
...A Leading Branded Speciality Rice Player...



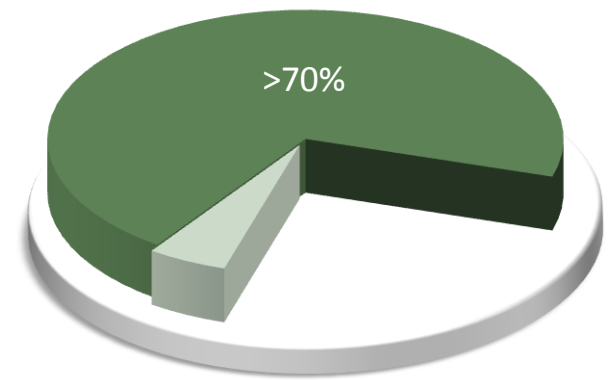
1985-95 Focus on B2B
(Private Label)



1996-2006 Focus on Brands &
Product Value Chain



2007-14 Internationalization



NEXT Stage of Growth

A Specialty Food Company...

Branded Basmati rice



Premium



Health



Horeca

Mid-price

Value

Value added staples



Wheat flour

Refined flour

Chickpea flour

Semolina

Flattened rice

Other products



Oils



Organic food

...with Leading Global & Regional Brands



#2 Brand in India



Safe Bhi Saaf Bhi



#1 Brand in US



100% Organic



Grape Seed Oil

... Global Presence in over 60 Countries



Market Share of Daawat in Branded rice market in India improved from 11.9% in 2010 to 17.9% in 2015

... Under Experienced Leadership



﴿ Vijay Kumar ﴾
Arora

Chairman and
Managing Director



﴿ Ashwani ﴾
Arora

Managing Director
& CEO



﴿ Abhinav ﴾
Arora

President,
LT Foods US



﴿ Vivek Chandra ﴾

CEO, Global
Branded Business



﴿ Monika Jaggia ﴾

Vice President,
Finance & Strategy

Years at
LT Foods

25 years



LT Foods Ltd.

25 years



LT Foods Ltd.

7 years



LT Foods Ltd.

5 years

P&G



Associated
British Foods
plc

18 years



LT Foods Ltd.

Previous
experience

... With Strong Management Team



Tapan Ray
MD & CEO,
Nature Bio-Foods

13 years



Manoj Chugh
Head of Procurement

20 years



Kamal Poplai
Head of Quality

8 years



Nadine Curias
VP Strategy &
Marketing

5 years



Sai S Krishnan
VP Supply Chain
& Operations

4 years



Jerry Taylor
Senior,
VP Sales

23 years



**Som Nath
Chopra**
CFO

9 years



Kaizar Colombowala
Head, R&D

8 years



Vikram Patil
Associate Director
Strategic Process Improvement

8 years



Chris Skolmutch
Product Development Manager,
LTFA

1 year



Mukesh Aggarwal
CFO, LTFA

7 years



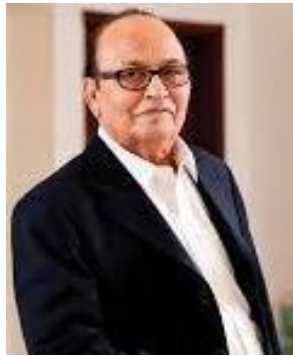
Years at
LT Foods

Previous
experience

Years at
LT Foods

Previous
experience

... And Experienced Advisory Board...



☺ K.N. ☺
Memani
Advisory Board



☺ Ravi S. ☺
Naware
Advisory Board

*Years at
LT Foods*

*Previous
experience*

10 years



5 years



... With State of the Art Manufacturing Facilities



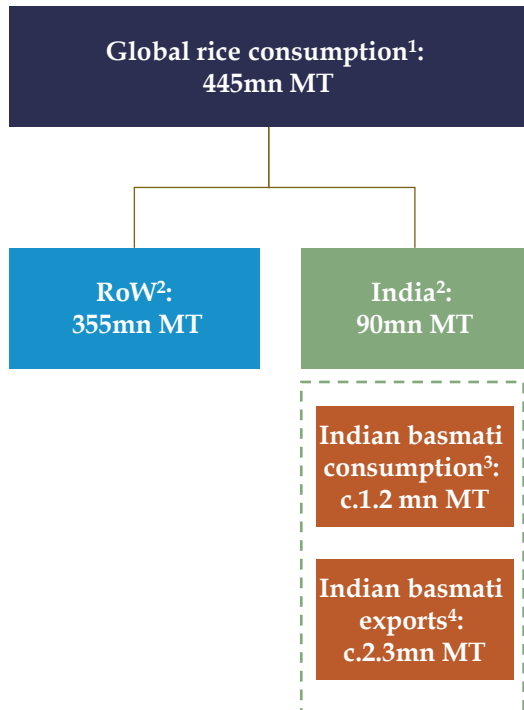
Rice capacity (TPH)	33	5 (organic rice)	26	6	12
Key products	Raw rice	Organic rice and snack	Rice, plain chips, chips seasoning, rice/wheat flour, brown rice	Rice and parboiled rice	Rice (golden, creamy, boiled, parboiled and raw)
Accreditation	ISO, SQF, BRC, SA, Kosher, OU, Halal	ISO, NOP, NPOP, EEC and Kosher	FSSC, Halal, Kosher and BRC	ISO	FSSC and BRC
USP	1 st to have complete storage in 1 MT bags	100% organic facility with cold and CO ₂ treatment	1 st to get FSSC 22000 certification		Fully integrated and automated facility

Industry Overview

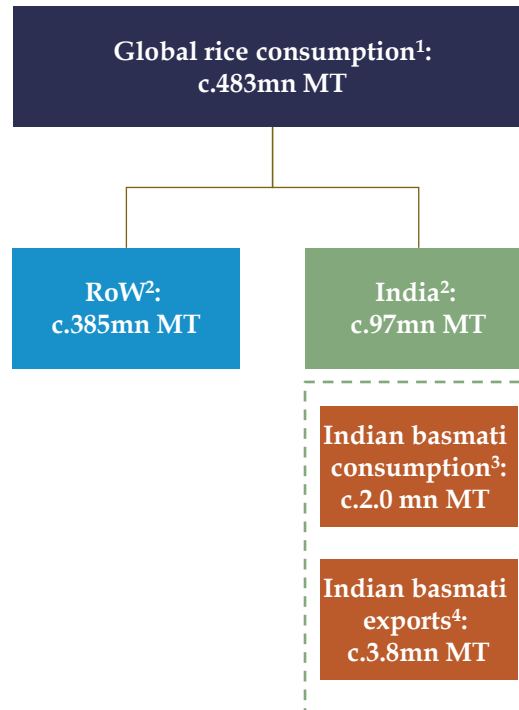


Rice market overview

2010-11

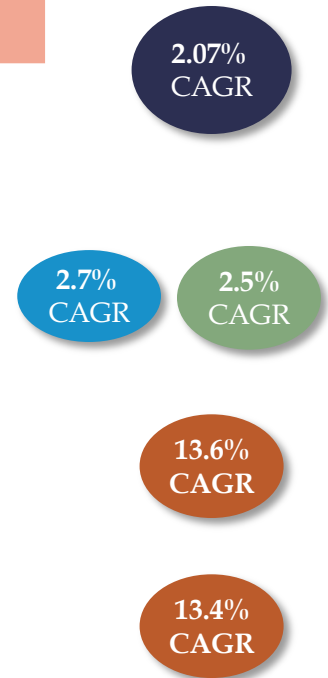


2014-15



Valued at c.\$240bn

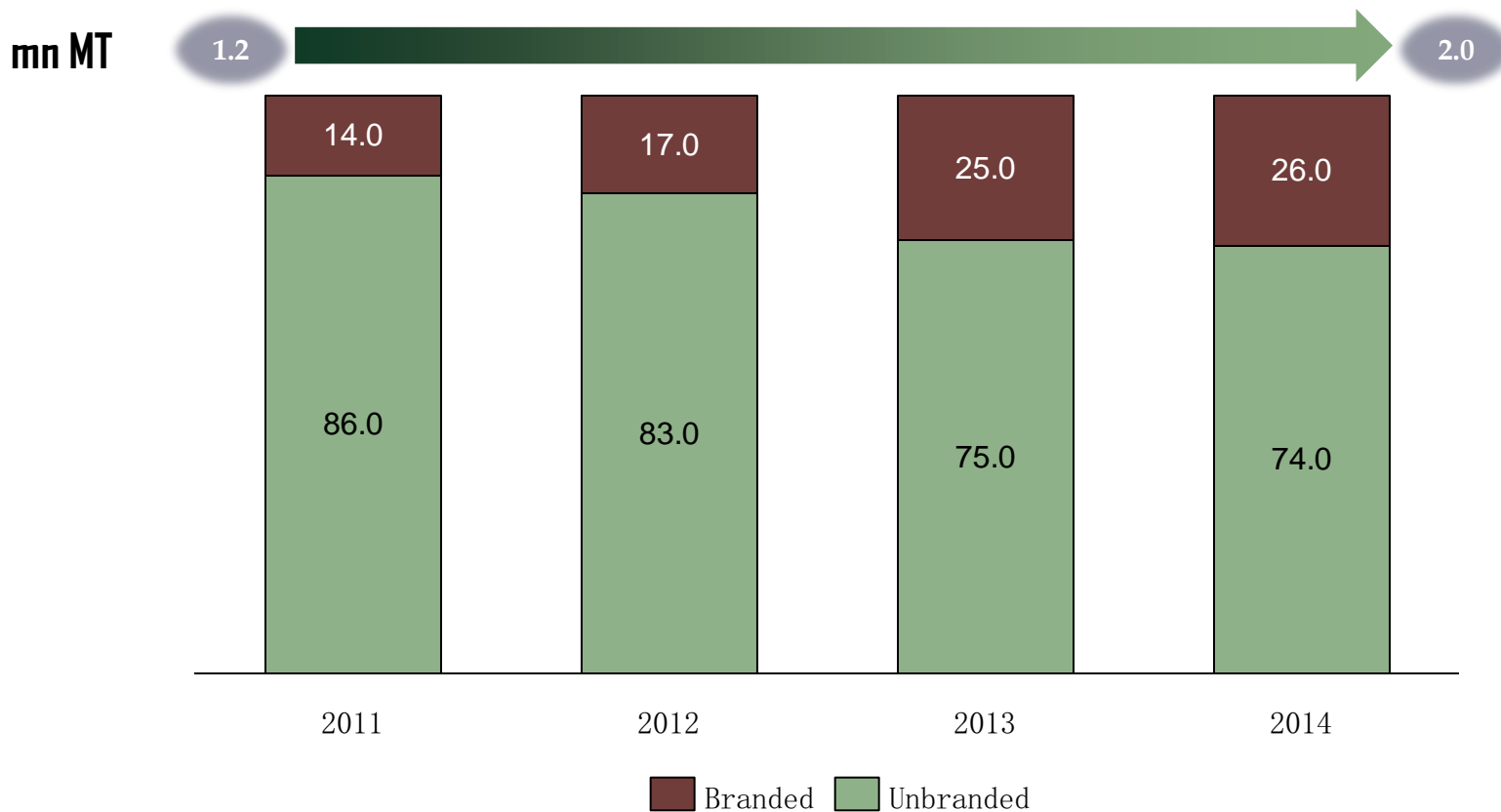
Growth



India Accounts for 20% of global rice consumption and 80% of Global Basmati Exports

Growing Domestic Basmati Rice Industry...

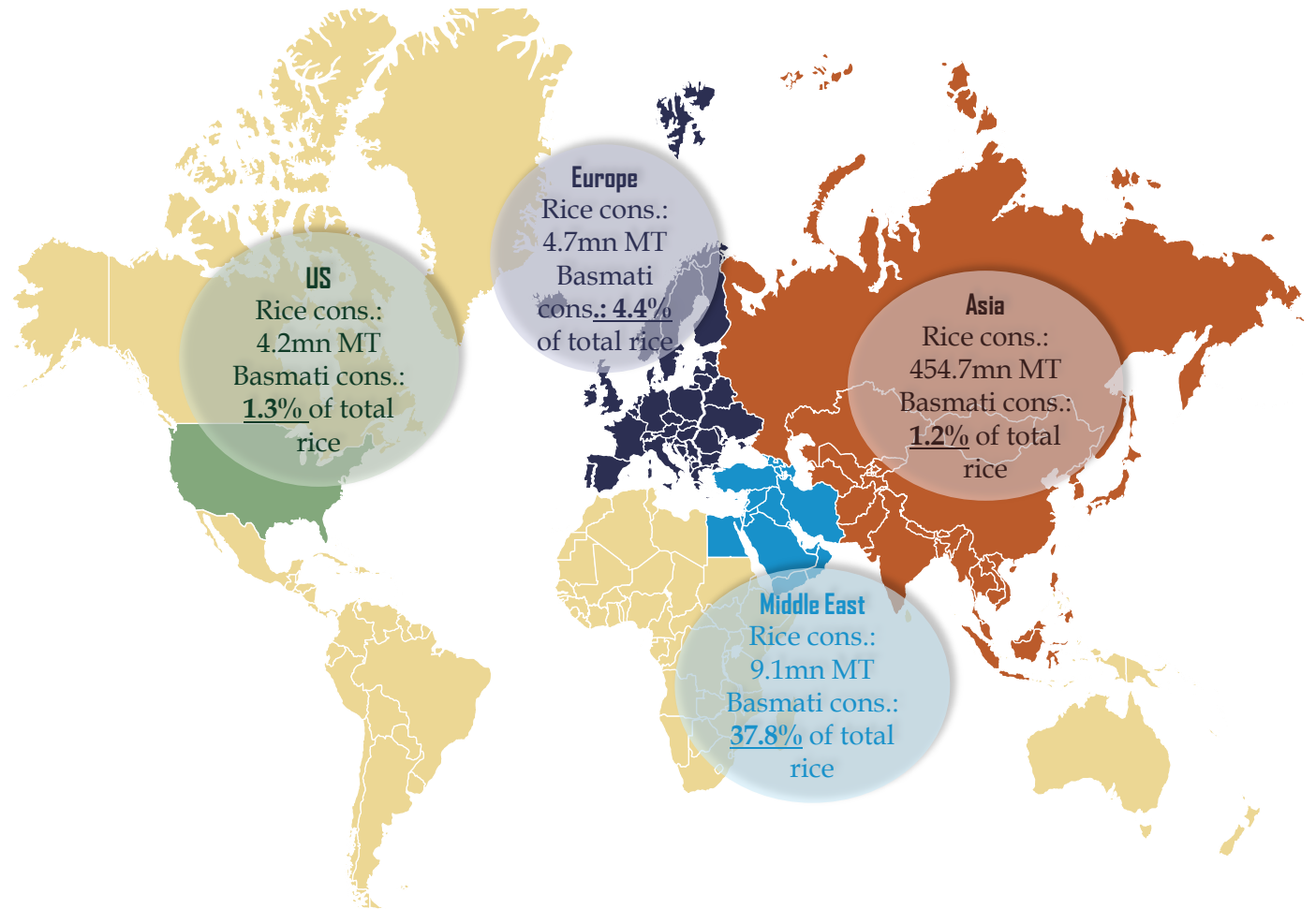
Indian Basmati Consumption (%)



Consumers are switching from Unbranded to Branded Basmati Rice

...with a Huge Global Potential

- US and Europe basmati consumption of c.3% is low despite a large Asian population: significant room for growth
- The Middle East remains a large export region for LT Foods, with premium basmati rice widely consumed in the region
- Major growth opportunity in Central-Asia: high rice consumption but as yet low presence of LT Foods'
- Growing acceptance of Indian/Asian cuisine worldwide could also be a growth lever



Entry Barriers



Branded Rice = NON Commodity Business

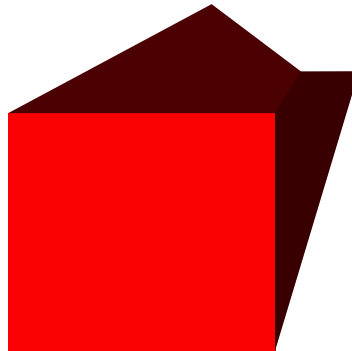
01
Integrated
Business Model



02
Contract Farming
Relationships



03
Expertise in
Paddy
Procurement

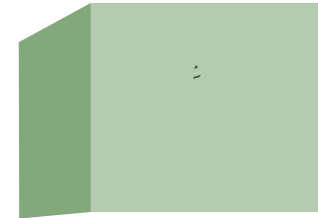


**High Entry
Barriers**

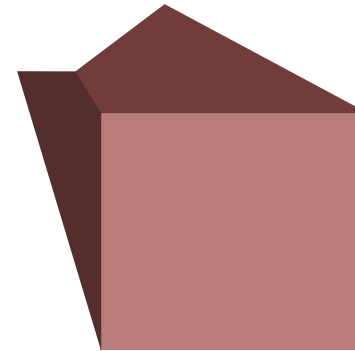
04
Strong Brand &
Market Share



05
Broad Portfolio
of Products



06
Distribution
Network



01 Integrated Business Model



LT Foods Presence

02 Contract Farming Relationships

Backward Integration

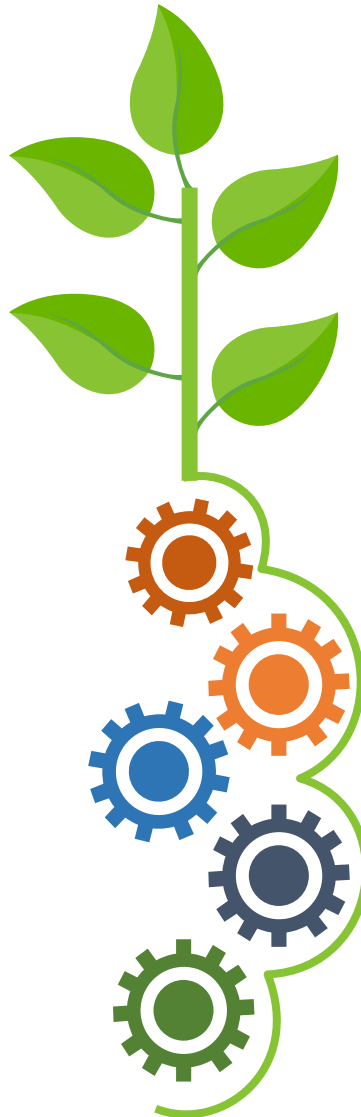
Backward integration program for the last 9 years

Regular Interaction

Regular interaction between farmers and company representatives

Control over Crop Produce

Quality checks & Buy Back Arrangements



Improved Yields

Partnership and relationship with farmers results in improved yields

Awareness

Full knowledge of seed quality used for growing paddy

Controlled Chemical Use

Procure Globally accepted standards of paddy

03 Expertise in Paddy Procurement

Scientific Methods

Best Practice Planning tools to procure high quality paddy

Strong Procurement Network

Strong Coverage : 234 Mandis covered by 270 Agents

Regular Flow of Information

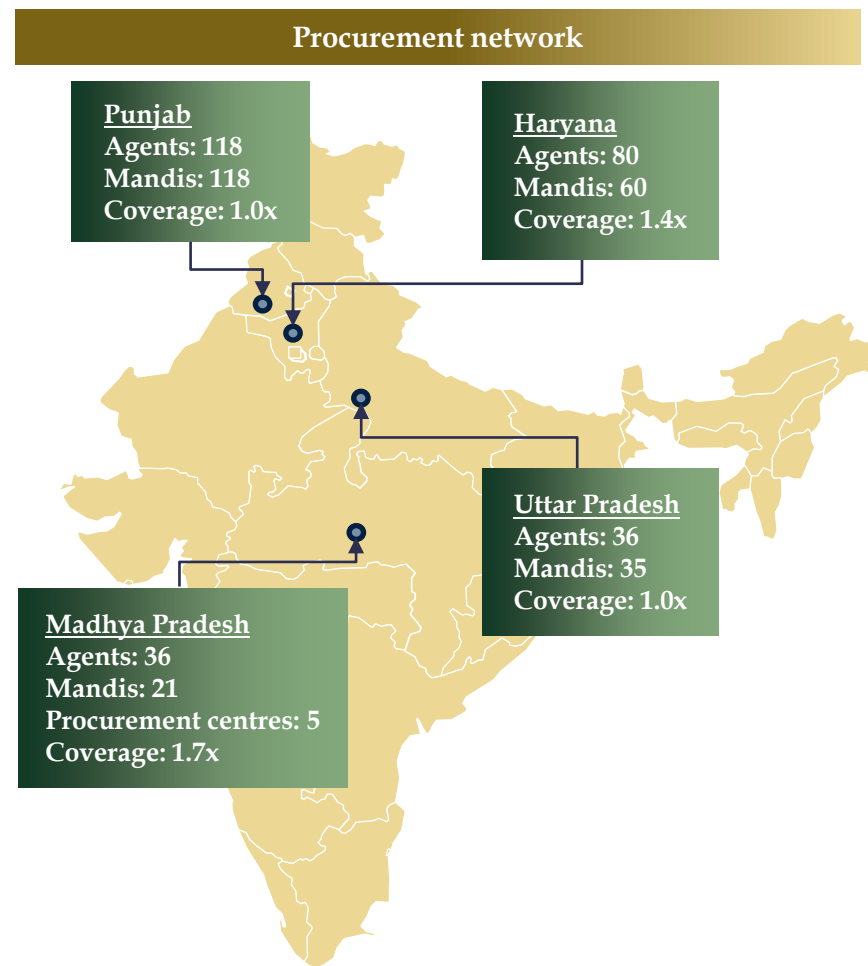
Full control on buying process throughout the year

Stringent Quality Checks

Quality check at each stage from Mandis to Test Labs

Responsible Sourcing Programme

Sustainable farming practices in partnership with BayerCropScience



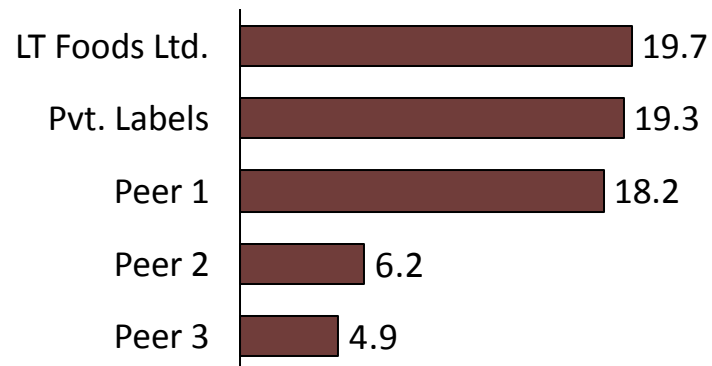
Strong coverage of mandis across the key basmati producing states

04 Strong Brand & Market Share...

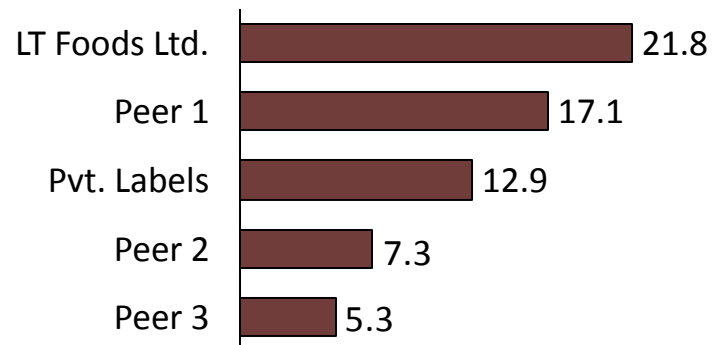
#1 and #2 market position in 7 Countries incl India & US



#1 : All India Urban Markets (%)



#1 : All India Town Class - 1 (%)



...that hedges Profitability...

Paddy Procurement



Branding Creates Pricing Power

Paddy Aging & Processing

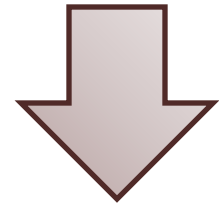


Sale to End Consumer

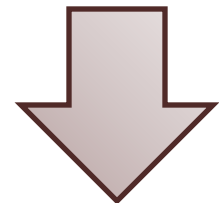


Purchase Price can be ascertained in advance

**Paddy Purchase – Yr 1
: Oct to Dec**



Aging 9-12 Months



**Sales Yr 2 : Oct
Onwards**

...and is Preferred among Consumers

Daawat ranks the best in terms of consumer perceptions on key Basmati Quality Parameters

Consumer Perceptions on Key Parameters	Daawat	Peer 1	Peer 2
	Preferrers	Preferrers	Preferrers
Offers finest Basmati rice	✓		
Brand of high quality	✓		
Good for Health	✓		✓
Has good aroma	✓		
Known for its taste	✓	✓	
Grains are separate after cooking	✓	✓	
Helps me cook new variety of dishes		✓	
Showcase my superior cooking skills	✓		
Brand that I relate to the most	✓	✓	
Available everywhere	✓		
Offers good value for money			✓

Source : Consumer U&A : 2014

Top 3 Brands Differentiated Across Parameters

05 Broad Portfolio of Products

Basmati rice

- White Basmati
- Brown Basmati
- Sela Basmati
- Organic Basmati
- Traditional Basmati
- Super Basmati



Specialty rice (non-Basmati)

- Jasmine Thai
- Brown Jasmine Thai
- Arborio
- Sona Masoori
- Sona Masoori Organic
- Kerala Mata rice
- Ponni rice
- Gujarat no. 17 rice



Other food products

- Curry paste
- Cooking sauces
- Wheat flour
- Couscous
- Tea
- Ecolife organic range
- Rice mixes
- Grape seed oil



06 Fully Developed Sales Network

General Trade

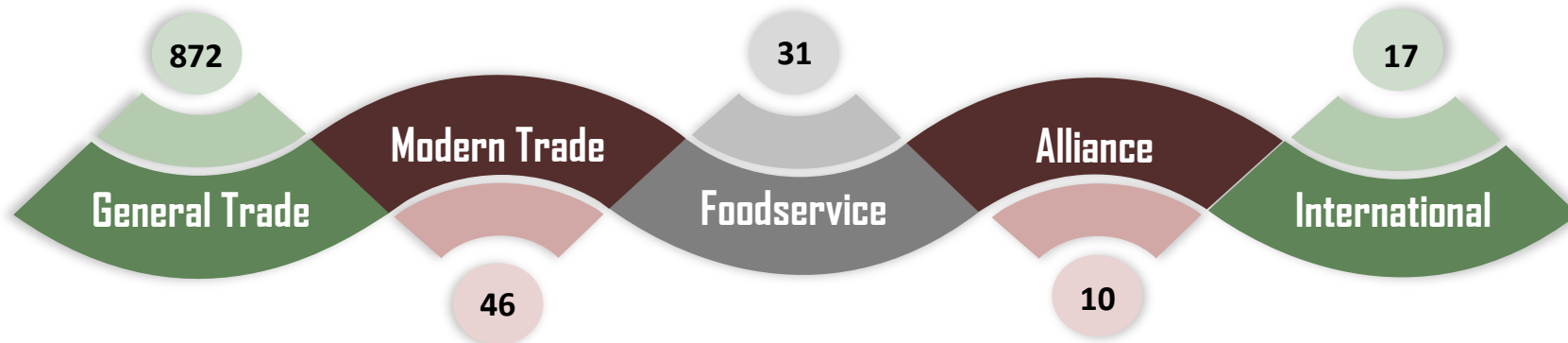
- Currently access to 1,10,000 traditional retail outlets
- Reach – 93% of towns with over 2 lakh population
- Access to 3000 Wholesalers

Food Service

- #1 supplier amongst the premium hotels & restaurants with ~50% share
- Access to 4,400 foodservice outlets
- ‘Dawat Chefs Secretz’

International

- Target each Distribution Channel – Ethnic Stores, Club, Food Service, Retail & Private Label
- ~12 dedicated Sales Personnel supported by 5 Marketing Specialist



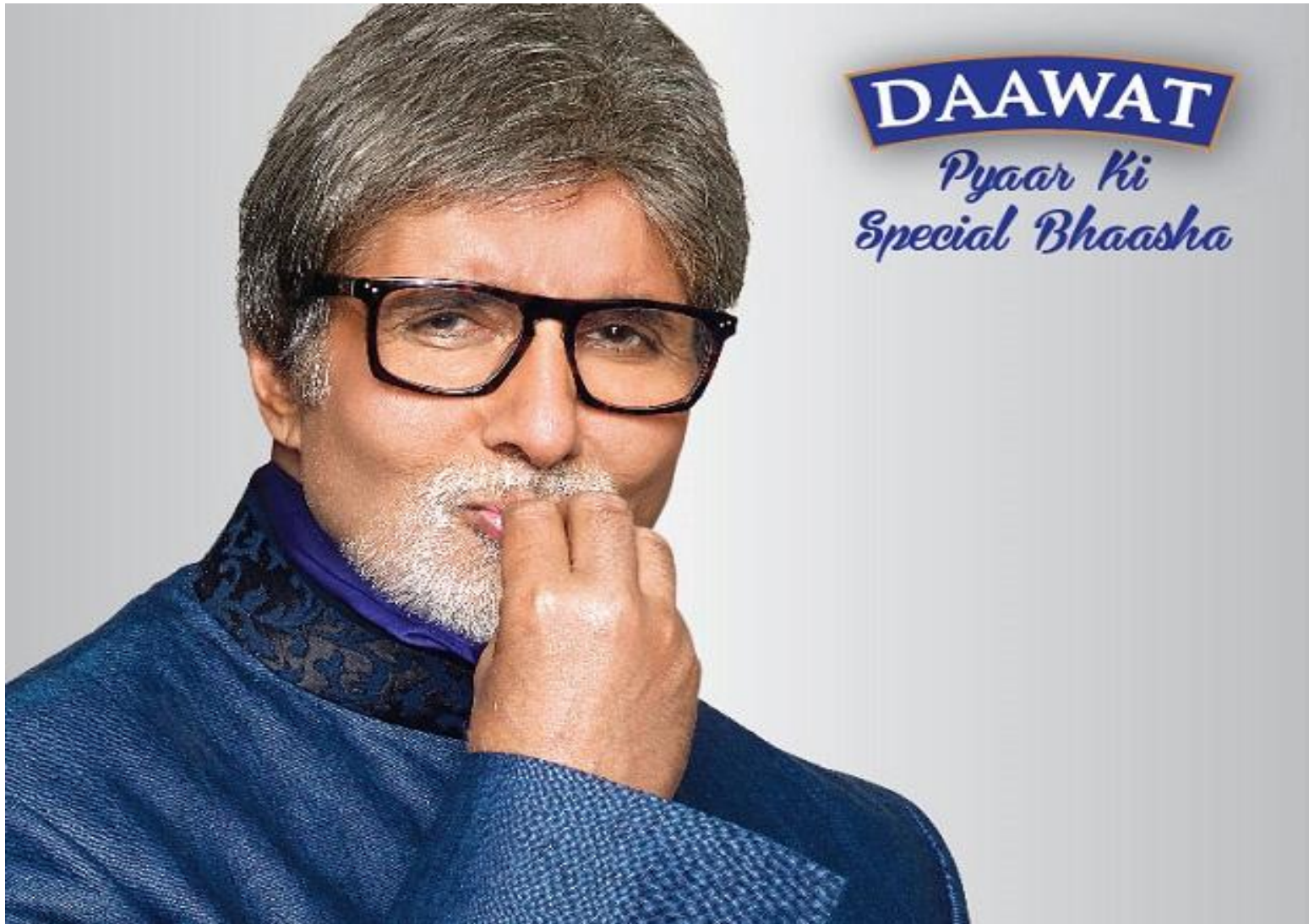
Modern Trade

- Access to 2,500 modern trade stores incl. 121 hypermarkets, 298 supermarkets and 1,462 mini markets
- 1st Rice Co. to place Brown Basmati Rice in Medical Chains

Alliance

- State Owned Oil majors with extensive network
- Alliance with Army Camp Retail Outlets

Strategy For Sustainable Growth

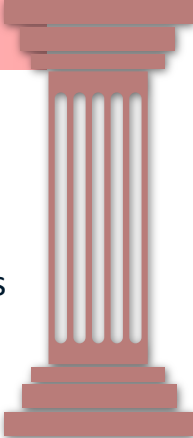


Three Pillars of Sustainable Growth



Consumer Focused

- Brand led growth
 - Leverage existing brands
- Products across different Value proposition
- Strong Brand for every Price point & Product



Continuous Expansion

- Geography led
- Product led
- Entry in Adjacent Businesses



Sustainable Business Model

- Integrated Business Model – “Farm to Fork”
- NOT dependant on monsoon or paddy prices
- EBITDA : 4Y CAGR of 27%

Consumer Focused



Branded products

- Traditional Basmati
 - Biryani Basmati
 - Pulav Basmati
 - Super Basmati
- Daawat fast cooking brown rice
- Chef Secretz Basmati
 - Chef Secretz Light
 - Chef Secretz Sella
 - Altarif / Daawat Golden Sella

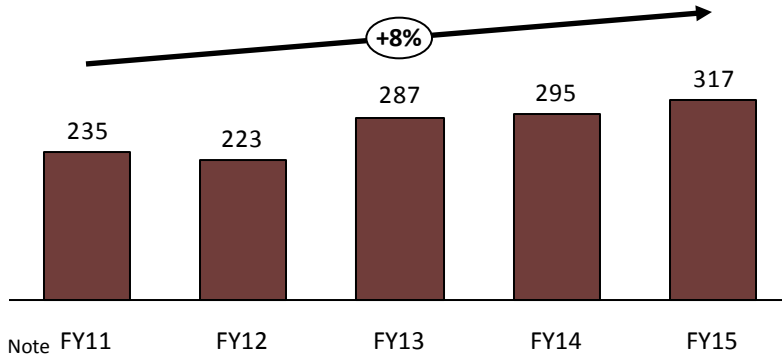
Brands



Strong Brands for Each Range of Product

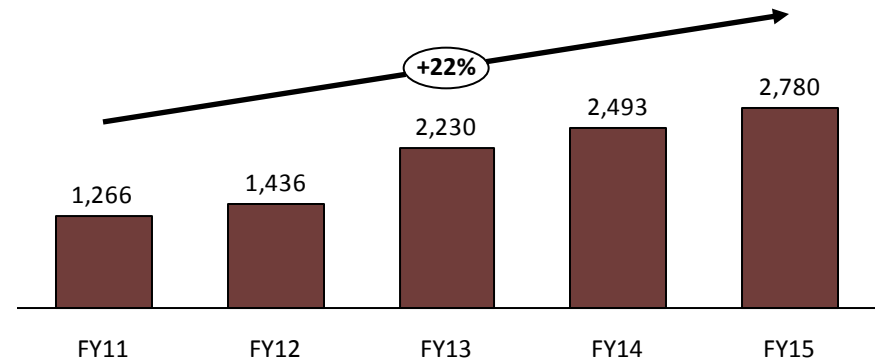
Sustainable Business Model

Rice Volumes ('000s MT)

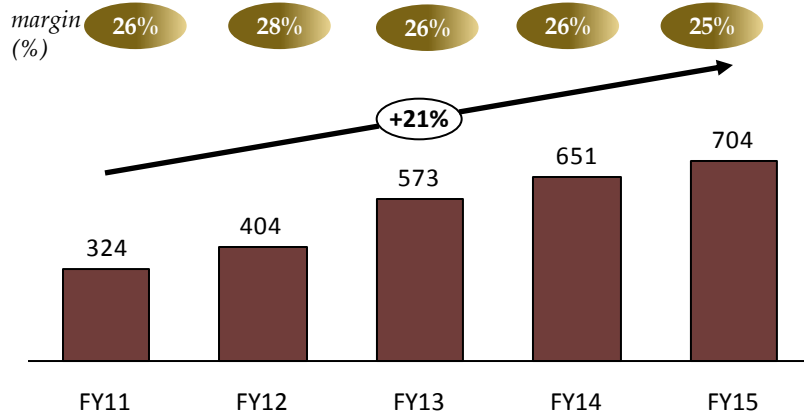


Note FY11
1 Volumes include India branded rice, international branded rice and institutional rice. Excludes organic rice and international agri-trade;

Revenues (Rs Crs)



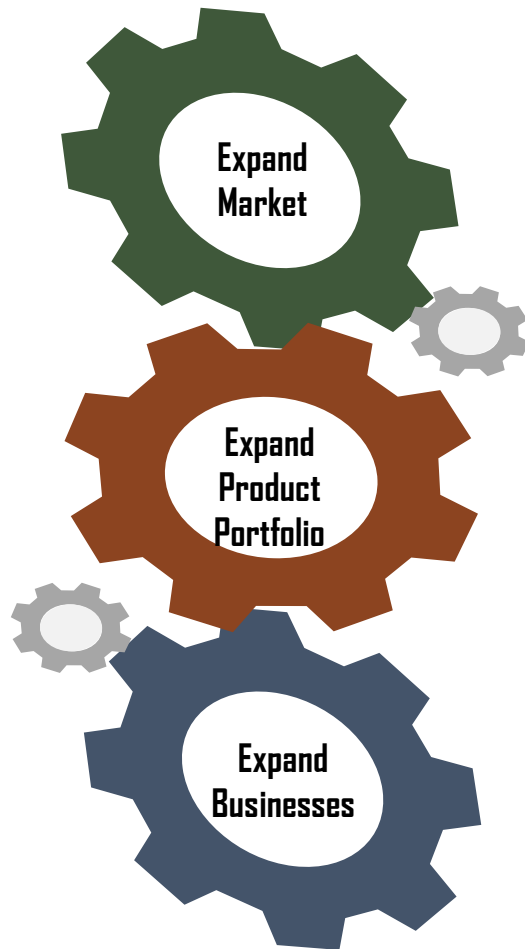
Gross profit (Rs Crs)



Paddy Inventory - Key to Sustainable Growth

- Paddy needs to be aged for 9-12 months for better product offering
- Sustainability is ensured by carrying 9-12 months of Paddy Inventory

Continuous Expansion



Expansion in Branded Rice Market – India & International

- Consumer Focused Approach especially in the bigger markets
- Expanding in Newer Markets and Building Stronger Position in Existing Markets

Expansion in Product Portfolio

- Leverage - Brand, Distribution Network Portfolio of Branded Basmati Rice
- Recently launched staples with proposition of quality of sourcing and absence of Chemicals

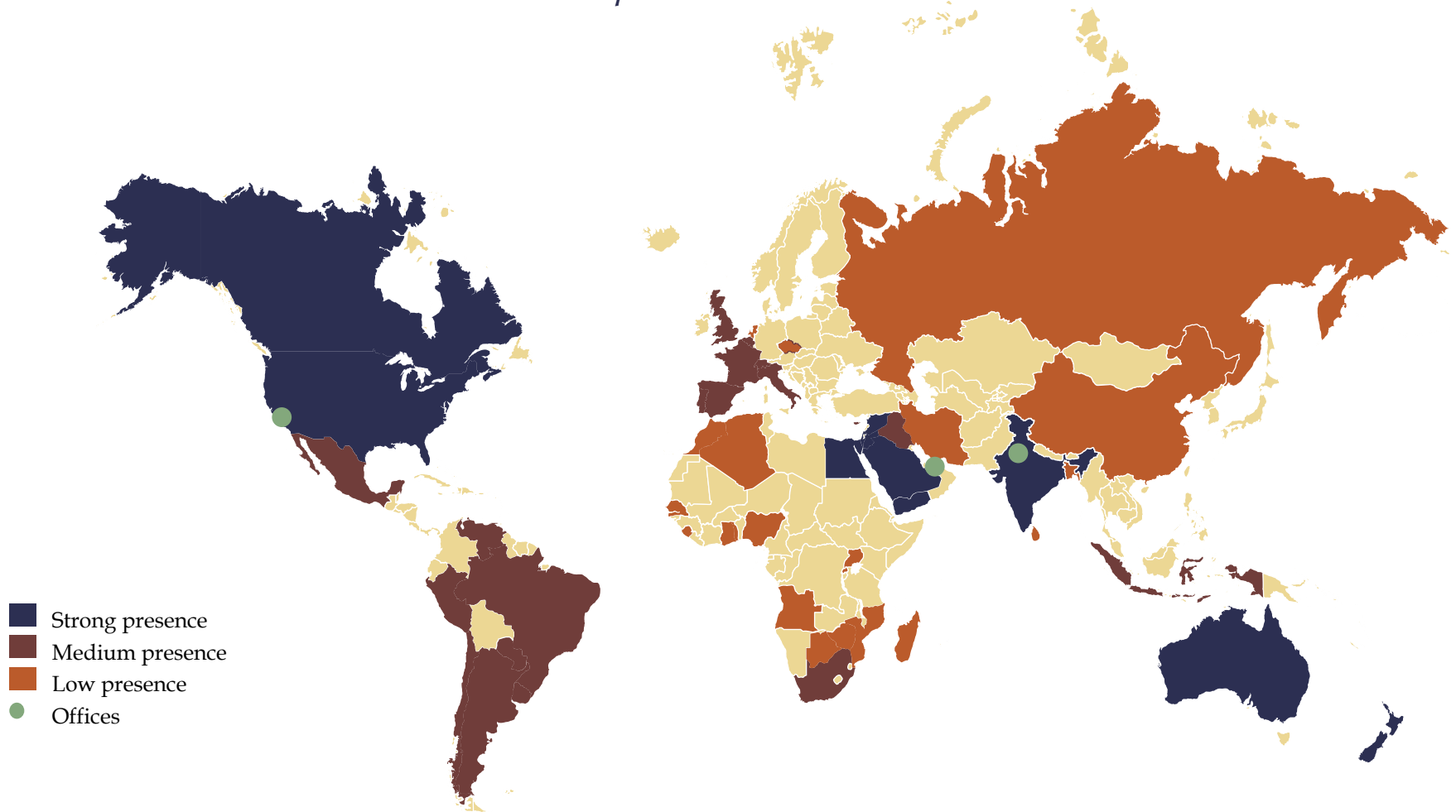
Expansion in Business

- Entry into Organic Foods Business – Nature Bio – Foods Ltd.
- Nature Bio's Product Range : Pulses, Oil Seeds, Spices, Cereal Grains, Grains, Lentils, Rice, Nuts Fruits & Vegetables etc

Facilities Expansion through Asset Light Outsourcing Model

Expansion in Branded Rice Market – India & International

Entered 6 new geographies in the international market during FY 15, to further expand its geographical reach, which encompasses more than 60 countries



Expansion in Product Portfolio

Value added staples



*"Responsibly sourced,
honestly packed"*

"Correct food"

Organic food



Product portfolio

Wheat flour, refined flour, chickpea flour, semolina, flattened rice

Rice, pulses, soya, spices, (small portions) – currently all B2B

Rationale

- Capitalise on existing distribution platform (synergies)
- Having a larger basket of products will provide economic rationale for expanding distribution network
- Market opportunity

- Leverage strength of existing supply chain and distribution
- Capitalise on global trend for organic products (15% growth in the US across the category)

Stage of development

- Sales across India planned for last quarter of FY16
- Currently in pilot in 3 states

- Preparing for B2C launch in first quarter of FY17 in both India (Daawat umbrella) and the US (Royal umbrella)

Expansion in Business – Nature Bio-Foods Ltd.

Key products

- Wholly owned subsidiary of LTF — Pioneers of organic foods in India since 1997
- Fully integrated across the supply chain (production, processing, sales)
- 80,000 farmers divided into 130 groups across 15 states
- Provides education and micro-finance to farmers
- ~160,000 acres of land
- Dedicated facility in Sonapat
- Direct procurement — No tax, fee or brokerage
- Regular re-evaluation of certifications
- Standardized quality of seeds



Bulk rice



White rice flour



Brown rice



Medium grain rice



Organic kings blend



Organic black rice



Lentils, Queens blend



Medium grain brown rice



Special red rice



Branded rice

Preparing for B2C launch by first quarter FY17 in both India (Daawat umbrella) and the US (Royal umbrella)



Oil seeds



Pulses



Spices



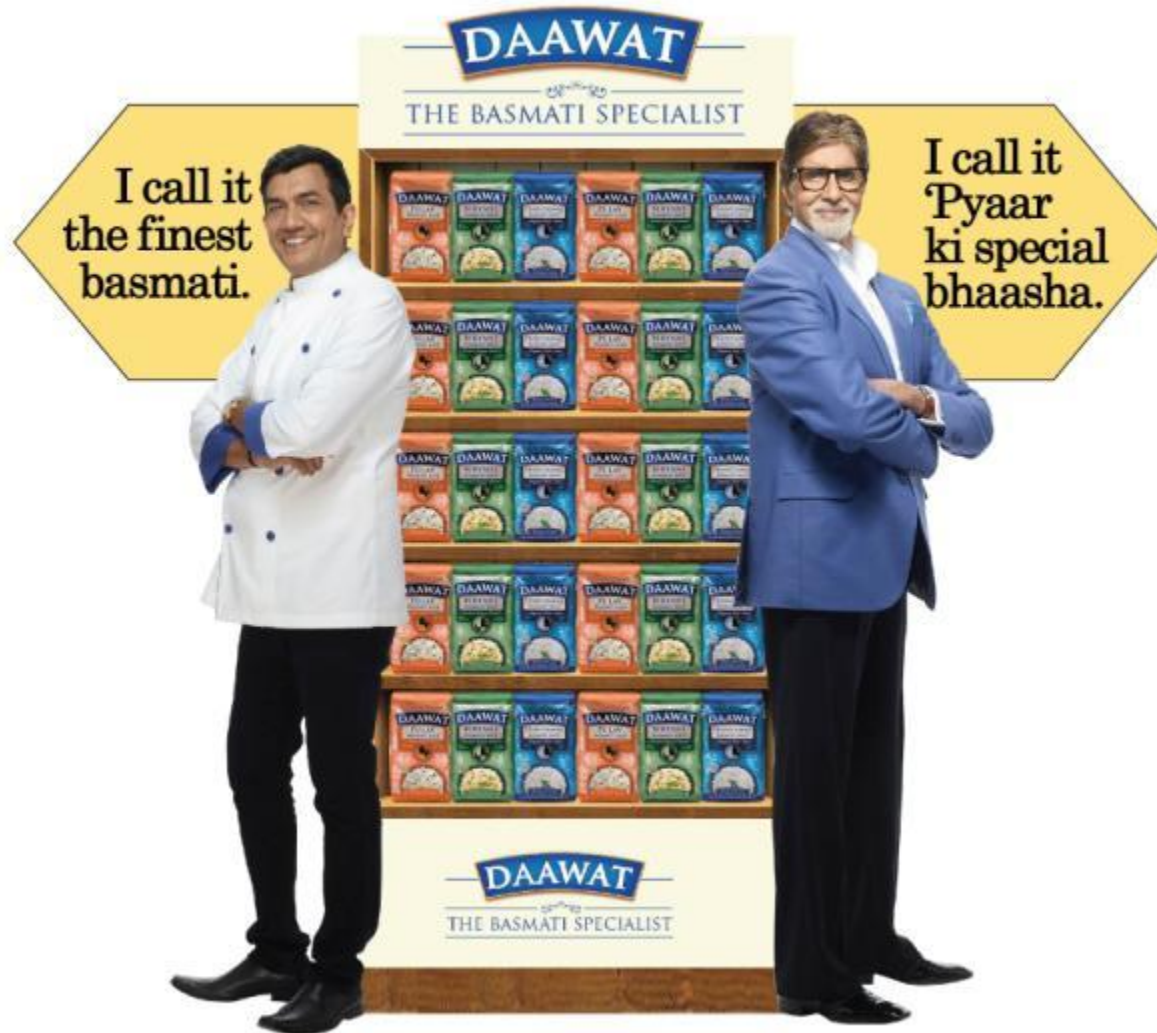
Cereal grains



Nuts, fruits and vegetables

Certifications

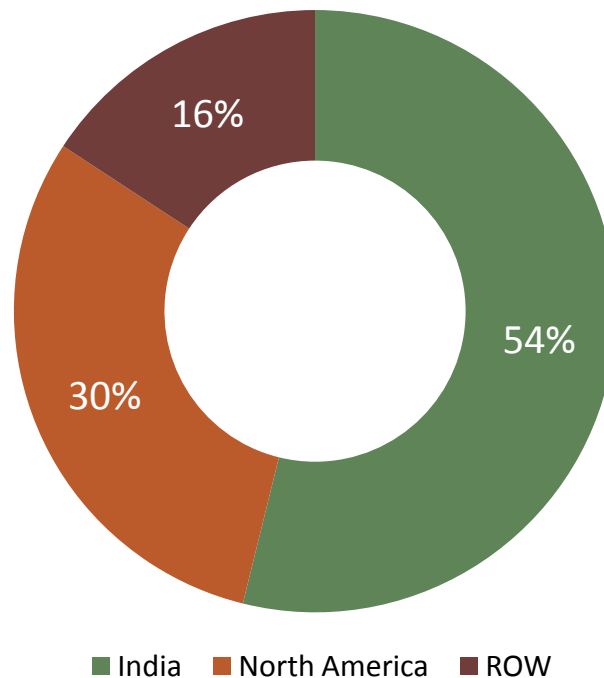
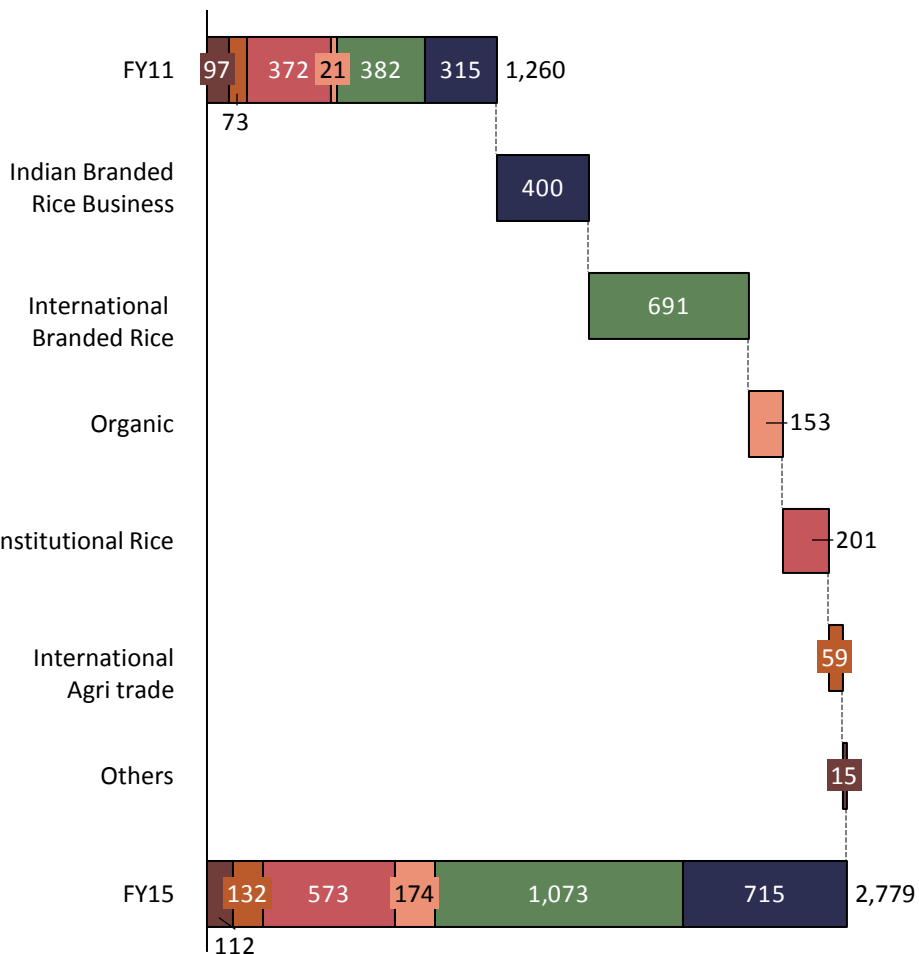




Revenue Breakup

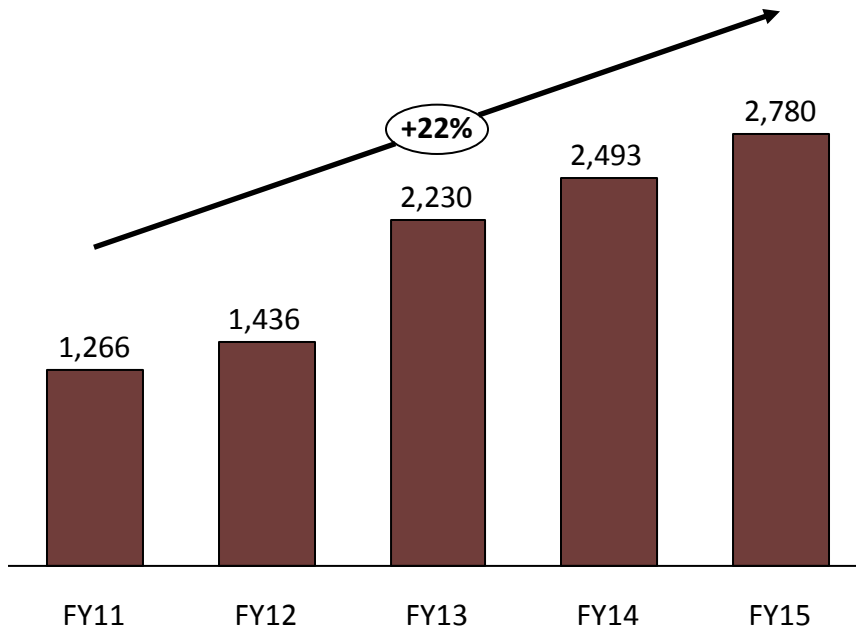
FY11 – FY15 Revenue bridge by business segment

Geographic Breakup of Revenue for FY15

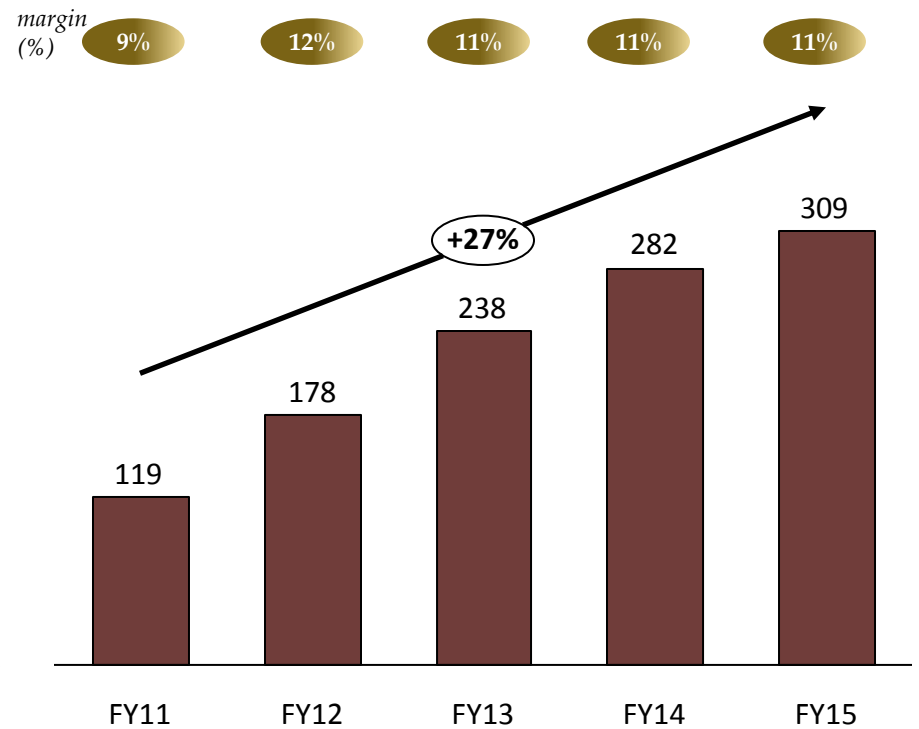


Improving Margin Profile

Revenues (Rs Crs)

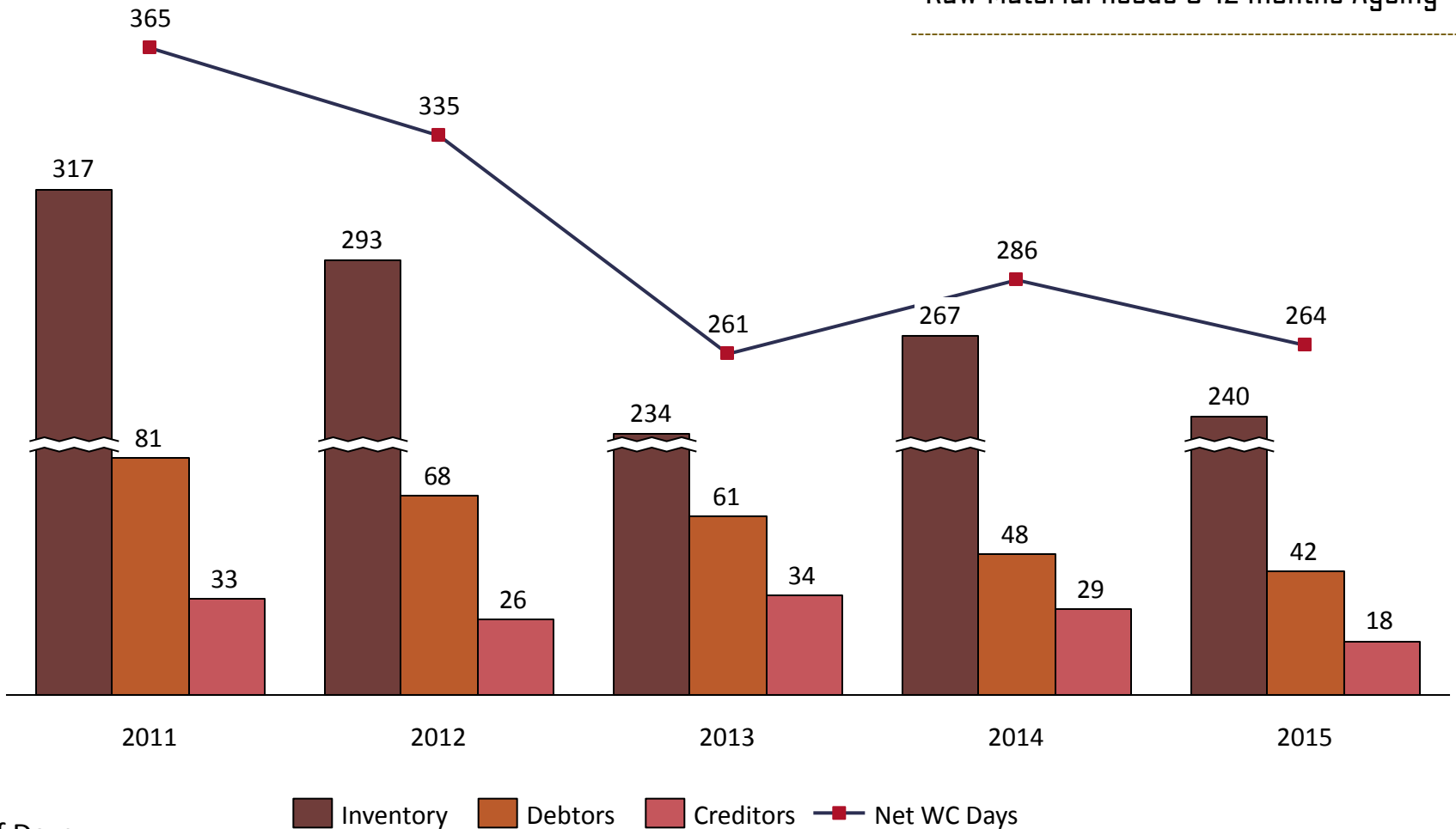


EBITDA (Rs Crs)



Improving Working Capital

Raw Material needs 9-12 months Ageing



No. of Days

Consolidated Profit and Loss Statement

Rs. Cr	2QFY16	2QFY15	YoY %	1QFY16	QoQ%	H1 FY16	H1 FY15	YoY%
Revenue	691	681	1.50%	755	-8.51%	1,446	1,355	6.69%
Raw Material	493	519		545		1,038	1,025	
Employee Expense	22	19		20		42	36	
Other Expenses	86	69		93		179	137	
EBITDA	90	74	21.91%	97	-6.80%	187	158	18.44%
EBITDA Margin	13.1%	10.9%		12.8%		12.9%	11.6%	
Other Income	0	1		0		0	1	
Depreciation	14	13		13		27	22	
Finance costs	35	34		42		77	72	
Exceptional (Gain)/Loss	0	0		0		0	0	
PBT	42	28	49.71%	41	0.53%	83	65	27.72%
Tax	16	8		13		29	22	
PAT	26	20	31.15%	28	-7.84%	54	43	25.41%
PAT after minority interest	23	19	19.80%	27	-14.76%	50	40	24.31%
PAT Margin	3.3%	2.8%		3.6%		3.4%	2.9%	

Consolidated Balance Sheet

Rs. Cr	Sep-15	Mar-15
Shareholders Fund	518	463
Share Capital	26	26
Reserves & Surplus	491	436
Minority Interest	38	34
Total Non Current Liabilities	57	90
Long Term Borrowings	55	89
Other Non-Current Liabilities	2	1
Total Current Liabilities	1,571	1,858
Short Term Borrowings	1,179	1,550
Trade Payables	179	100
Other Current Liabilities	213	208
TOTAL EQUITY & LIABILITIES	2,184	2,445

Rs. Cr	Sep-15	Mar-15
Total Non Current Assets	419	425
Fixed Assets	302	311
Goodwill on Consolidation	78	74
Non Current Investments	6	7
Other Non Current Assets	33	33
Total Current Assets	1,765	2,020
Inventories	1,056	1,362
Trade Receivables	328	318
Cash & Cash Equivalents	43	21
Other Current Asset	338	319
TOTAL ASSETS	2,184	2,445



Company :

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CIN - L74899DL1990PLC041790

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Strategic Growth Advisors Pvt. Ltd.

CIN - U74140MH2010PTC204285

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