

LT Foods Limited

Investor Presentation - Q1 FY23



LT FOODS
NURTURING GOODNESS

Safe Harbour

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Q1 FY23 Results Highlights



Company Overview



Integrated Farm to Fork Model



Financial Overview



Strategy and Outlook



ESG



Q1 FY23 Results Highlights

Q1 FY23 Segment Highlights (YoY)

Basmati & Other
Specialty Segment

33% ↑

Organic Segment

19% ↑

Premium Portfolio

53% ↑

Convenience & Health
Segment

100% ↑

Consumer Business

39% ↑



Q1 FY23 Key Highlights (YoY)

Book Value
Per Share (₹)

₹ 70
(from ₹ 61)



Return on Capital
Employed

16.9%
(from 15.4%)



Debt to Equity Ratio

0.5x
(from 0.6x)



Return on Equity

16.9%
(from 15.7%)



Debt to EBITDA Ratio

1.7x
(from 1.9x)



Interest Coverage
Ratio

8.7x
(from 7.1x)



Working Capital
Days

185
(from 210)

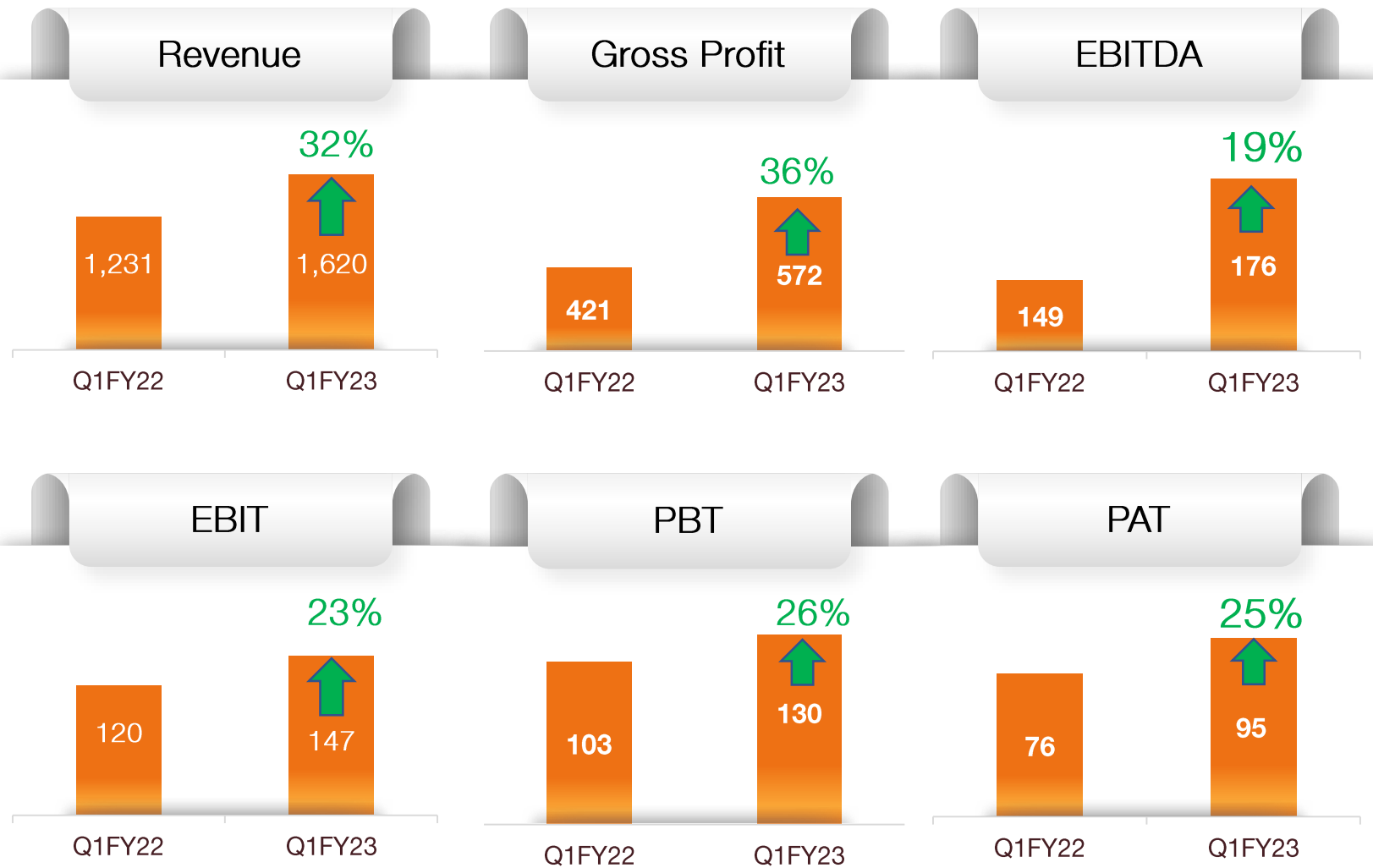


Cash Profit

19%
(from 17.5%)



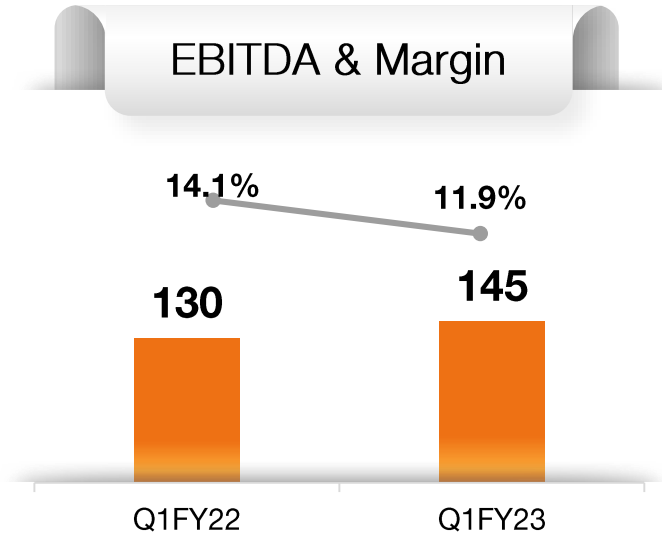
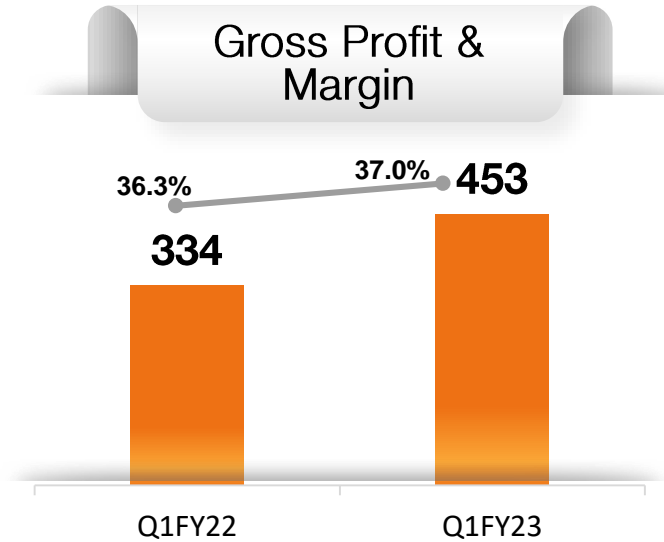
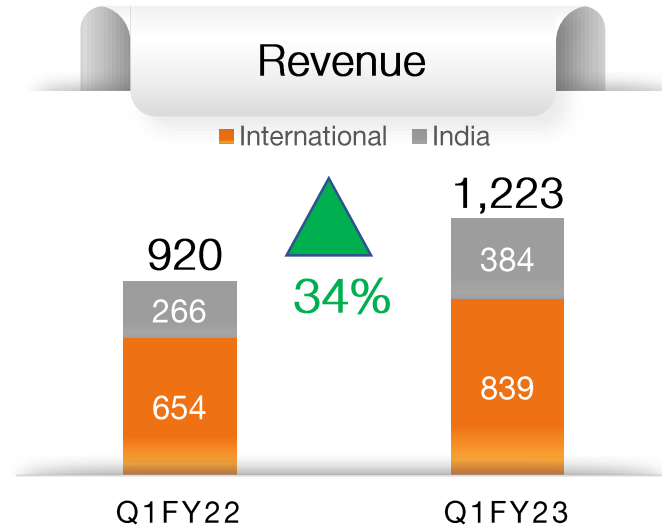
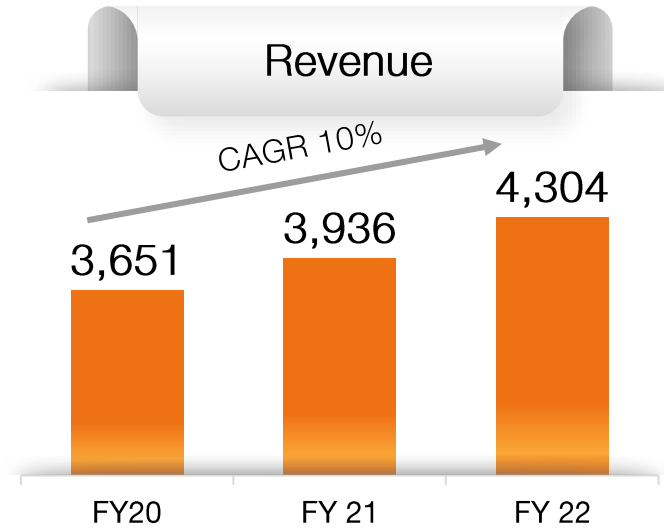
Q1 FY23 Financial Update



All Figures in ₹ Crore unless specified

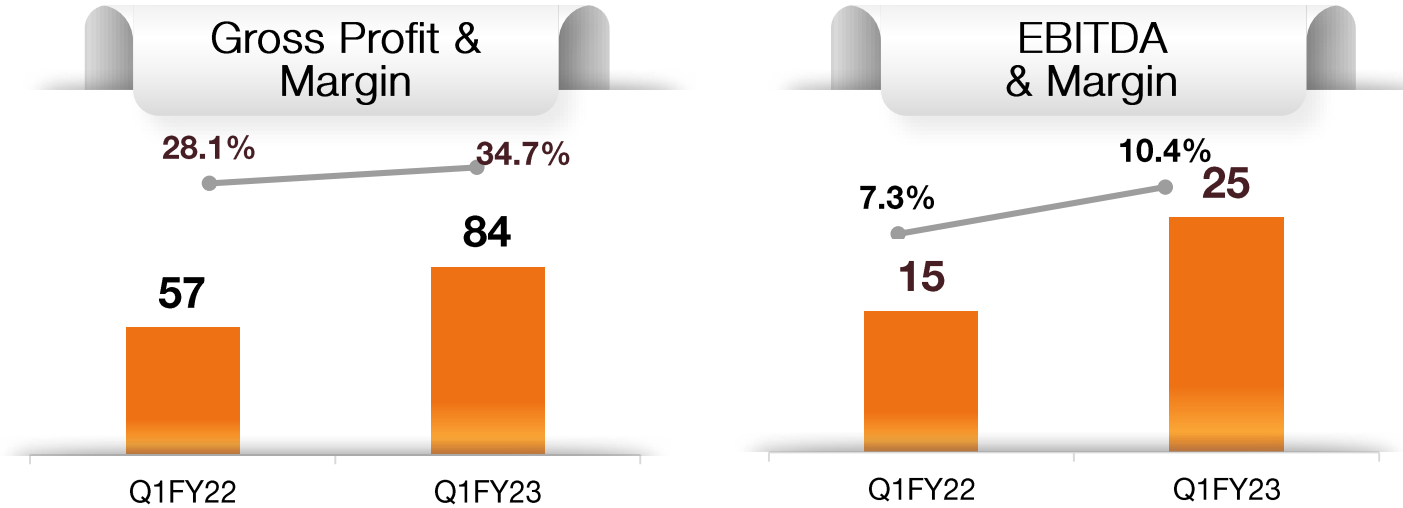
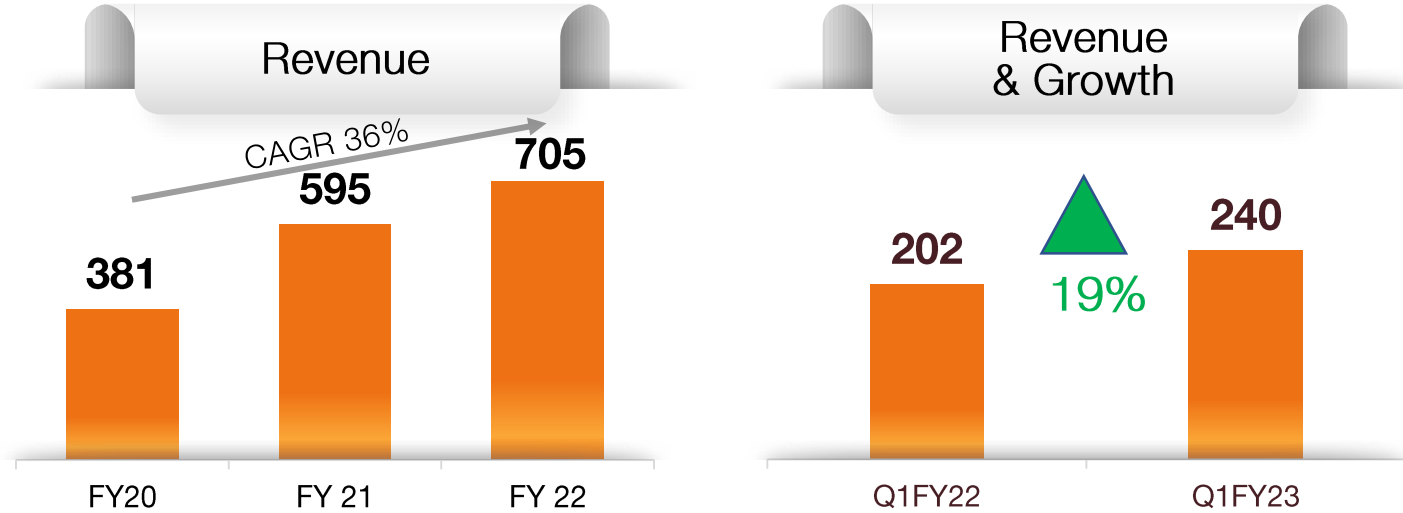
- Revenue up 32% y-o-y aided by accelerated brand investments across all 3 business segments – Basmati & Other Specialty Rice, Organic and Convenience and Health business
- Gross Profit up by 36% y-o-y & Gross Profit margin expanded by 107 bps on account of change in product mix and partial price increase implemented due to increase in freight and raw material cost
- EBITDA up by 19%, Margins contracted by 120 bps due to:
 - Additional Investments in brands by 30 bps
 - Increase in freight expenses by 400 bps
- PAT up by 25% y-o-y at ₹95 Crore

Segment Update – Basmati & Other Specialty Rice



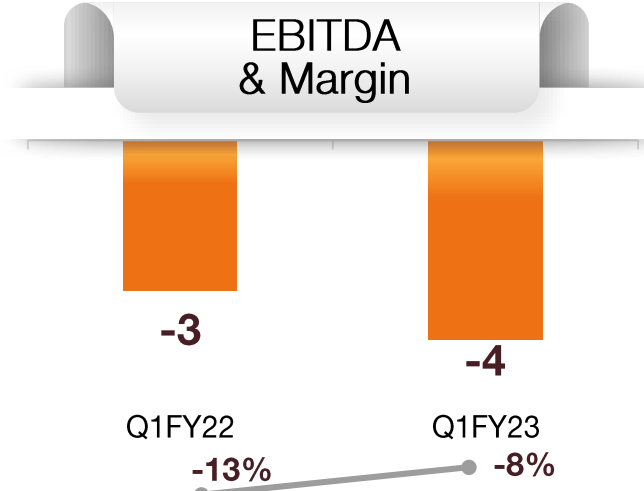
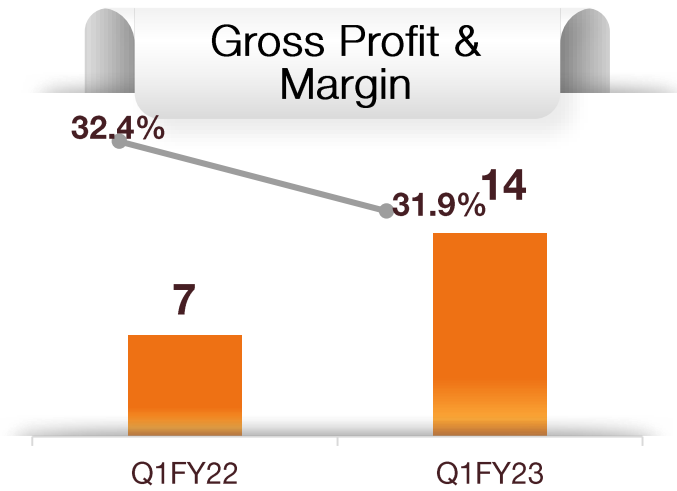
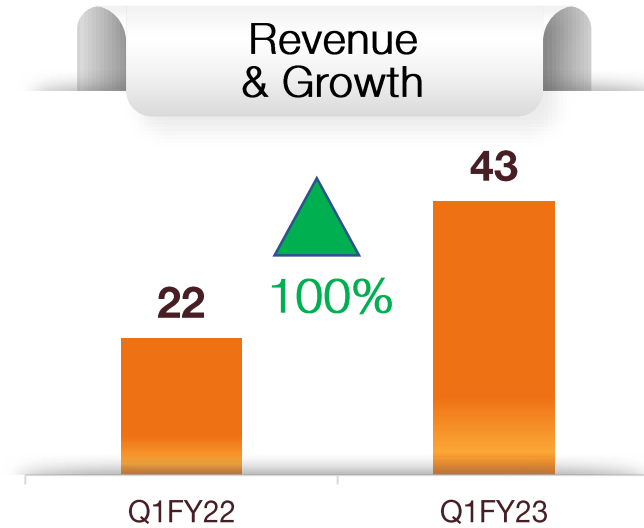
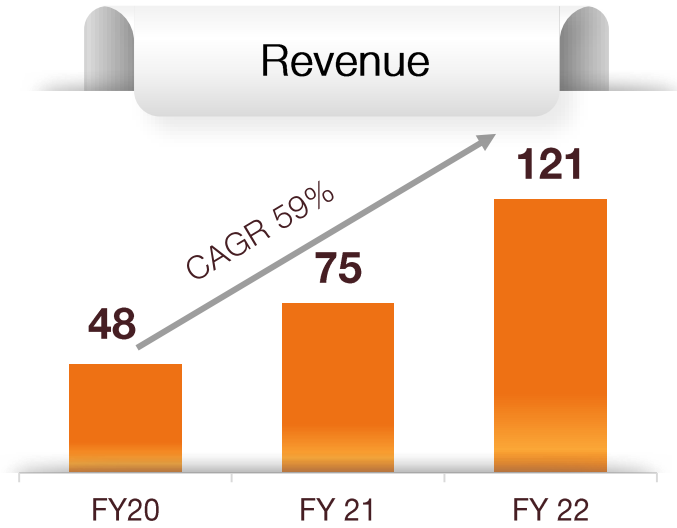
All Figures in ₹ Crore unless specified | Decline in EBITDA Margins on account of Exceptional increase in Input Cost and Freight Cost

Segment Update – Organic Segment



All Figures in ₹ Crore unless specified

Segment Update – Convenience & Health Segment



All Figures in ₹ Crore unless specified

Company Overview



LT Foods at a Glance

LT Foods is a Global Consumer Food Company

which deals in Basmati and Other Specialty Rice, Organic Food and Ingredient business and Convenience & Health segments

Leading Brands



Strive to deliver the finest quality food products to its consumers across

60+ countries

1,300+

Extensive distribution network globally

9

manufacturing facilities globally

Partnered with

75,000+

Organic farmers

1,52,000+

Retail outlets in India

94,000+

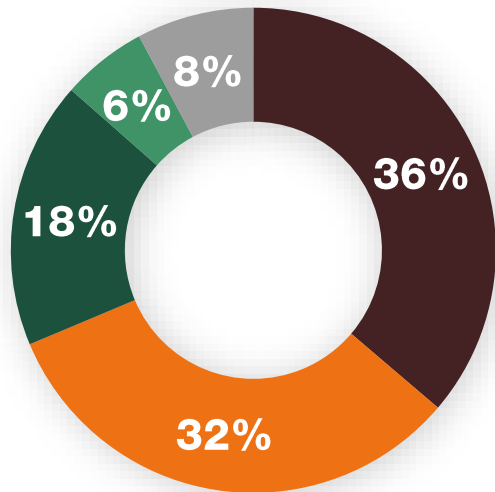
hectares of organic land bank



Global Footprint and Diversified Portfolio

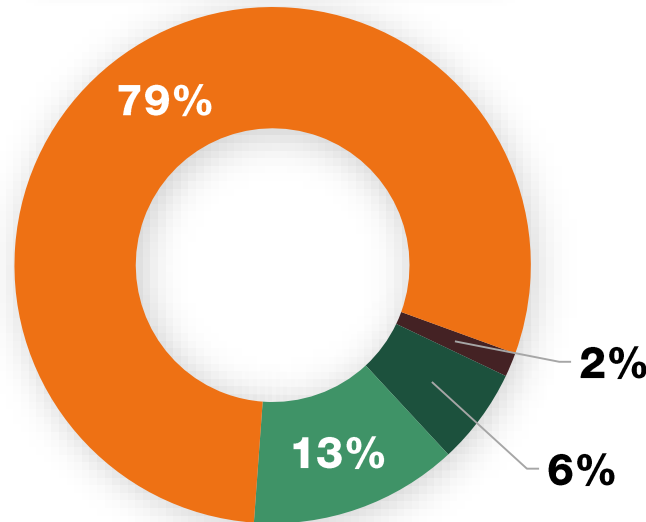
Our diversified market presence as well as our balanced portfolio, serving a wider global consumer base, positions us to capitalize on emerging opportunities in the consumer food business.

FY22 Revenue by geography



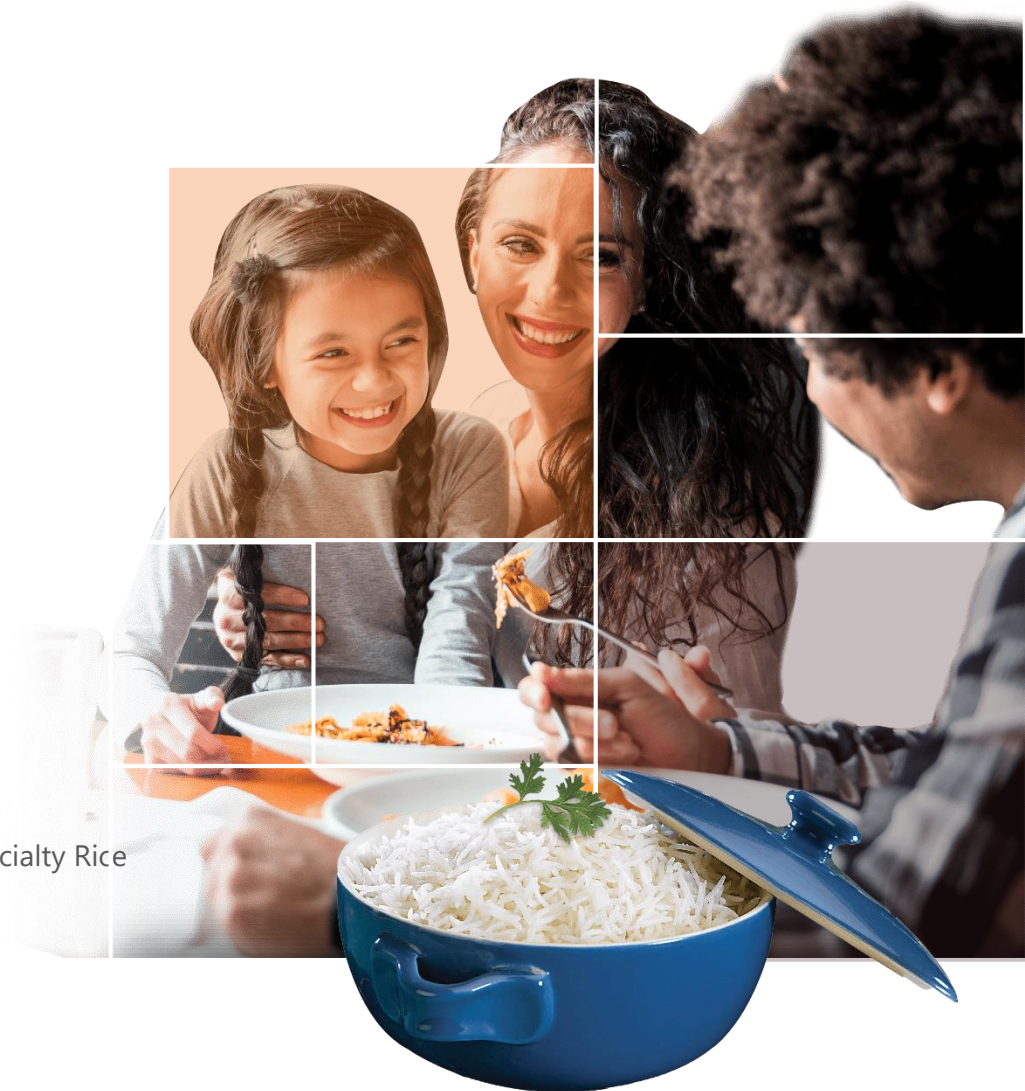
- USA
- Europe
- Rest of World
- India
- Middle East

FY22 Revenue by business segment



- New Products
- Organic
- Others
- Basmati & Other Specialty Rice

FY 22 Revenue – ₹ 5,451 crore



Key Business Segments



- Strong and established Player in Consumer business in this segment
- Present in 60+ countries with Flagship brands Daawat, Royal and other regional brands – Heritage, 817 Elephant, Gold Seal Indus Valley, Golden Star, Rozana, Devaaya
- Present omni-channel via 1200+ distributors in India and presence across 1,52,000 + retails outlets in India and 100+ distributors in international market
- Present across all price points from Specialty to Mid-Range to Value-Range in the consumer space, with a current growth rate 35% in the consumer business

Basmati & Other Specialty Rice

~79% contribution

*Others: ~6%



- Diversified portfolio comprising of organic rice, cereal grains, soya based products, flour, pulses, oil and oil seeds, nuts, spices, herbs, millets, etc.
- Ground Presence in US & Europe to strengthen local presence in these markets
- Associated with 75,000+ farmer families and 94,000+ hectares of certified organic land

Organic Food and Ingredient Business

~13% contribution



- Keeping a close tap on the changing consumer trends and launched products on the health and convenience platform
- Launched products on the Health Segment – Daawat Quick Cooking Brown rice, Daawat Sehat and Daawat Sauté Sauces, Daawat Cuppa Rice, Royal Ready-to-Heat, Daawat Biryani Kit and Kari Kari on the convenience platform
- Leveraging the strong brand equity and distribution network of flagship brands “Daawat” and “Royal” across geographies

Convenience & Health

~2% contribution



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Integrated Farm to Fork Model



Integrated Farm to Fork Model

Complete control on the value chain from “Farm to Fork”



Integrated Farm to Fork Model

Sustainable Farming

Sustainable Rice Platform (SRP) program: 13,000+ farmers trained under sustainable farming practices through its SRP program to grow paddy in compliance with the SRP standards

Satellite based remote sensing: Application of advanced technologies such as satellite based remote sensing to monitor crop health, water usage GHG emissions, & drone sprays for efficient pest management

Water saving technologies : Use of water saving technologies such as laser levelling, micro irrigation, alternate wetting and drying (AWD) and direct sowing have led to reduction in water and fertilizer consumption

L3 Certification: First Company globally to be successfully audited at the L3 level (highest level of certification by SRP)

Effective Procurement

Mandis (Procurement Centres): Procures paddy from the mandis in Northern and Central India through an extensive network of 258+ agents

Procurement Planning Tool: Deployed a Procurement Planning Tool that helps to procure the right paddy at competitive prices

Survey-based Analysis: Deep survey-based analysis of the supply demand dynamics, ahead of the harvesting season, with relevant stakeholders in field and mandis

High Quality Paddy at Competitive Rates: Leverages its network of farmers, commission agents and stakeholders spread across 235 Government recognised mandis to monitor quality and procures paddy at competitive rates

Integrated Farm to Fork Model



Global Supply Chain Hubs

Strategically located State of the Art Manufacturing Facilities in India, US and Europe

Adopted Automation across all our Manufacturing Facilities to ensure reduction in delivery time cost efficiencies

Global Supply Chain network spanning across continents to ensure an uninterrupted supply of Company's food products

An integrated ERP system across the organization providing end-to-end supply chain visibility resulting in improved flow of information



Well – Entrenched Distribution Network

Well entrenched distribution network in 60+ countries with 1300+ distributors across globe and more than 152,000+ outlets in India

Present across all channels such as General Trade, Modern Trade, HORECA, E-Commerce

Embarked upon alternate route to market such as tele ordering and partnership with delivery partners

Integrated Farm to Fork Model

Strong Brands

Flagship Brands “Daawat” and “Royal” enjoy leadership positions in India, US and other geographies

Other brands such as Heritage, Devaaya, Gold Seal Indus Valley, 817 Elephant, Golden Star, Rozana also enjoy leadership position in other countries

Holistic Marketing Approach to ensure Brand Visibility and to strengthen connect with the audience by being actively engaged in ATL platforms like TV, YouTube, Radio, Outdoor, etc.



Basmati & Other Specialty Rice



Organic Food and Ingredient Business



Convenience & Health



Integrated Farm to Fork Model

Food Safety & Quality Assurance

State-of-the-art testing facilities to enable wide range of tests to verify safety, identity and purity of food products

Stringent food safety standards at both India & international levels

Compliance with local and global standards like NABL, FSSAI, EIC, EU & USFDA, etc.

Certifications



People

Resilient implementation of the strategies by management

Culture of entrepreneurship and organization – wide collaboration

Equal opportunity, respect & fairness towards employees

Leading the way responsibly

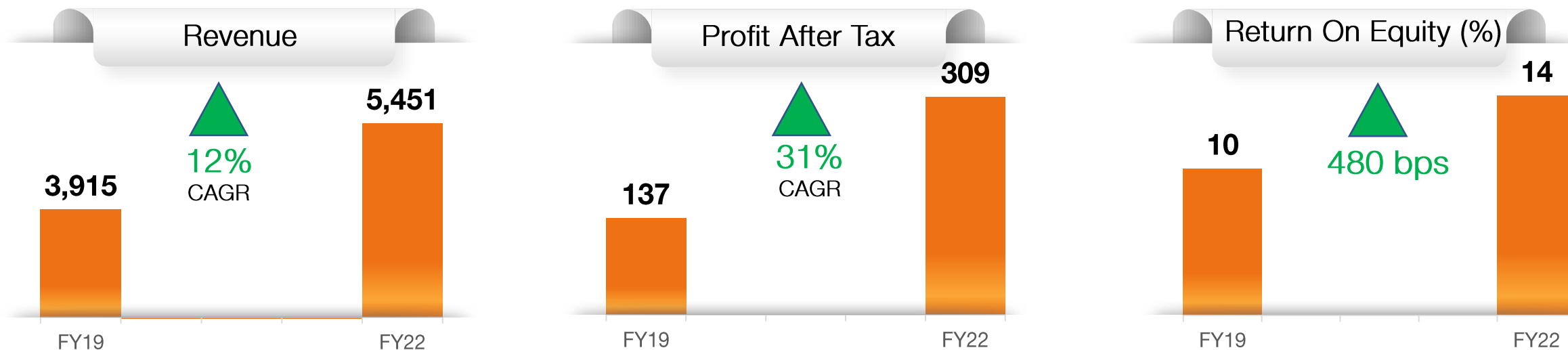
Highest standards of ethical and responsible conduct

Aspire to improve the livelihood of people across the value chain and adopt sustainable practices that minimize the impact of our operations on the natural environment

Embedded ESG (Environment, Social, Governance) in the Company's strategic roadmap

...Resulting in Strong Financial Performance

All Figures in ₹ Crore unless specified

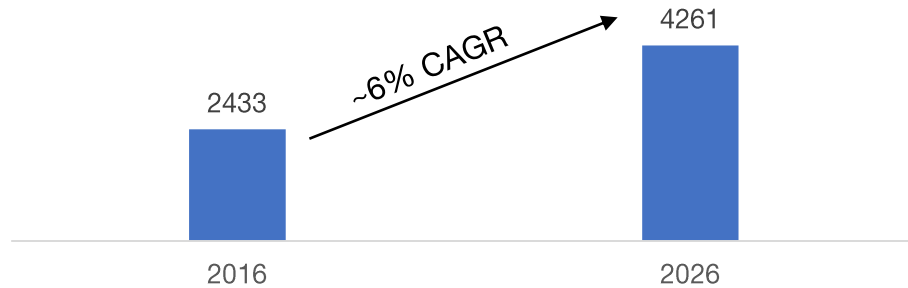


- Growth in Revenue supported by strengthening the brands, widening distribution network across the globe, increasing brand penetration across all consumer segments along with product portfolio expansion in Organic and Convenience & Health Platform.
- PAT Margins have expanded aided by growth in EBITDA and reduction in Finance Cost.



Packaged Food Industry & Basmati Rice

Global Packaged Food Market (USD billion)

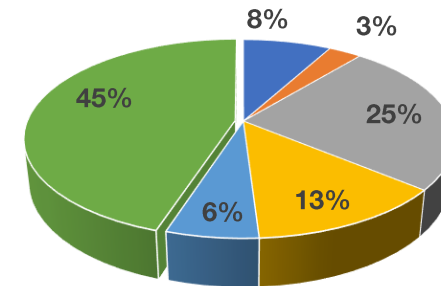


- The global packaged food market is expected to clock ~6% CAGR during 2020-2026 and reach over USD 4,261 billion by 2026 on the back of changing eating habits and busy lifestyle of consumers.
- The Indian packaged food market is expected to grow at ~11% CAGR during 2020-2025 on the back of increasing per capita income, urbanization, large working age population and rising awareness about the importance of hygienic food
- The Global Basmati Rice Market is expected to grow at a CAGR of ~7%

Source: IMARC Group, Grand View Research, Research & Markets

Organic Food Industry

Global Share of Organic Food Industry



■ Asia ■ Africa ■ Europe ■ South Africa ■ North America ■ Oceania

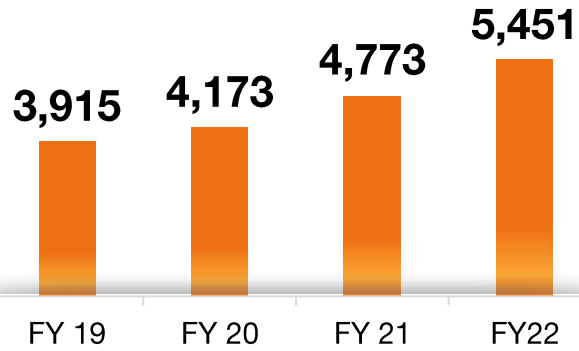
- The Global Organic food and beverage market size is expected to expand at a CAGR of 13% from 2022 to 2030 and reach USD 564.22 billion by 2030 driven by factors such as increasing affluence, awareness about health, advancement in biological farming techniques, etc
- The India organic food market is expected to exhibit a CAGR of 25.25% during 2022-2027 on the back of rising levels of health awareness coupled with fast pace of urbanization and rising income levels.

Financial Overview

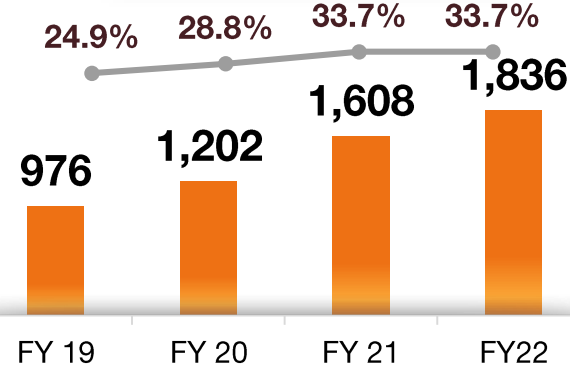


Key Financial Highlights

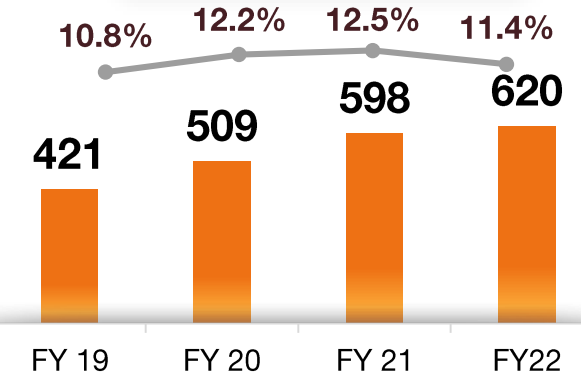
Revenue



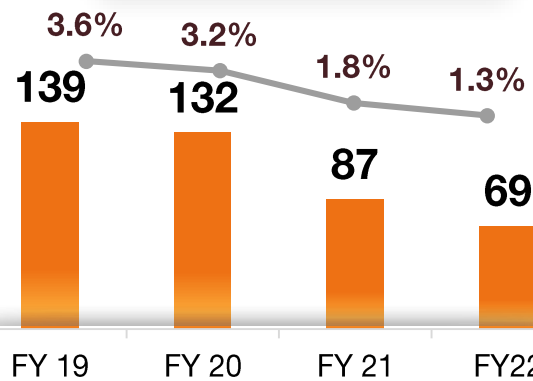
Gross Profit & Margin



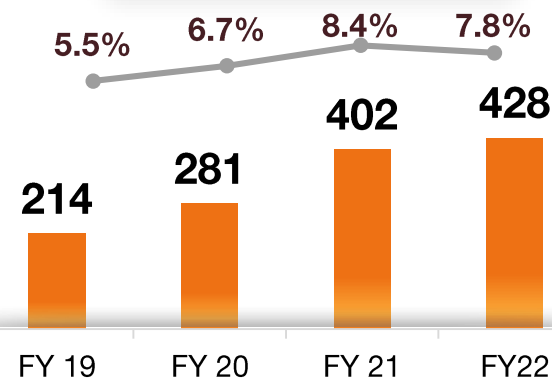
EBITDA & Margin



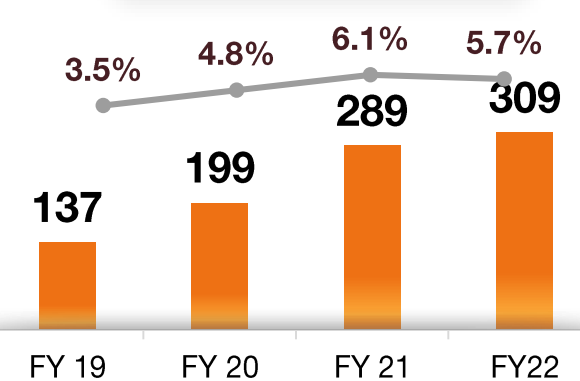
Finance Cost



Profit Before Tax & Margin



Profit After Tax & Margin



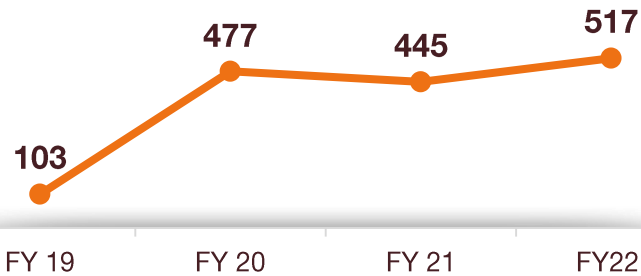
All Figures in ₹ Crore unless specified

Key Financial Ratios

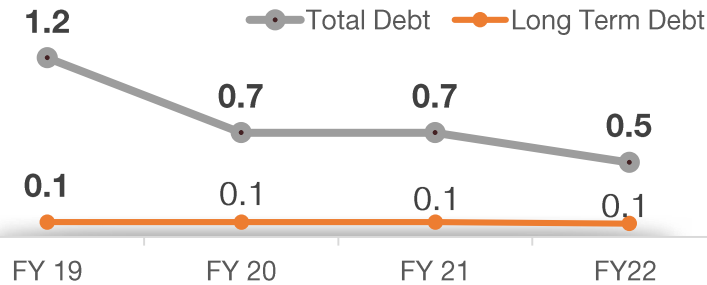


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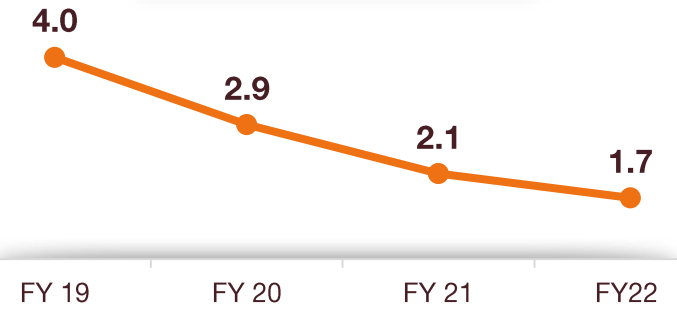
Cash Flow from Operations (₹ crore)



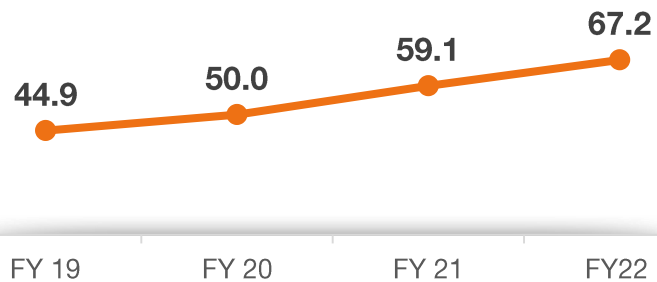
Debt/Equity



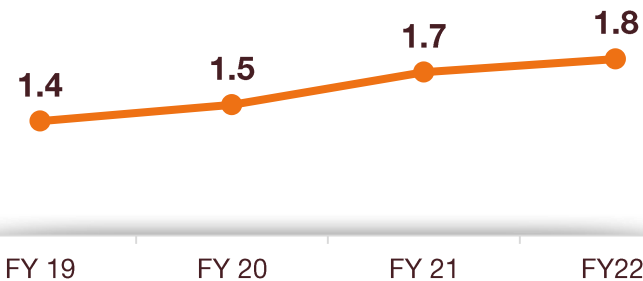
Debt EBITDA Ratio



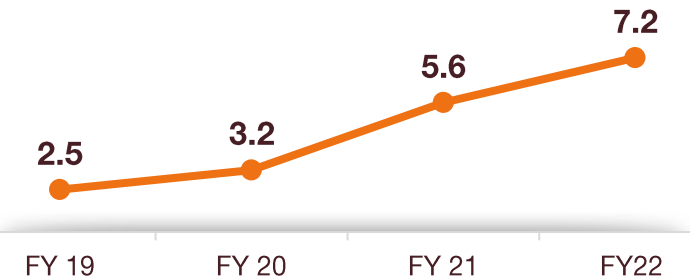
Book value per share (₹)



Current Ratio



Interest Coverage Ratio



Strength of Balance Sheet being reflected with Strong Credit Rating:
A/Positive outlook by CRISIL and BWR/A+ Stable outlook by Brickwork



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

Key Developments of the Quarter

01

Completed Acquisition of Golden Star (51% stake)

LT Foods has completed acquisition of 51% stake in Golden Star Trading Inc. along with its brand Golden Star via its subsidiary LT Foods Americas Inc. (LTFA) with a call option to further acquire 49% stake at the of 3 years.

Through this acquisition, LTFA will be able to leverage its robust distribution network across channels to further expand its share within Specialty rice market across North America

This acquisition is in line with the Company's long-term growth strategy to expand its product offerings across geographies



02

Launch of Daawat Biryani Kit

Continuing its legacy of innovation, LT Foods has launched ready-to-cook Daawat Biryani Kit, fulfilling the consumer need of 'how to cook fresh authentic biryani at home with convenience' in 30 minutes

Daawat Biryani Kits are available in the three 'most popular' regional variants Hyderabadi, Kolkata, and Lucknowi.

These recipes are packed with carefully selected, high quality ingredients and flavours which are true to the source of their origin in the right mix without any preservatives and artificial colours

Currently available across modern trade and e-commerce platforms



03

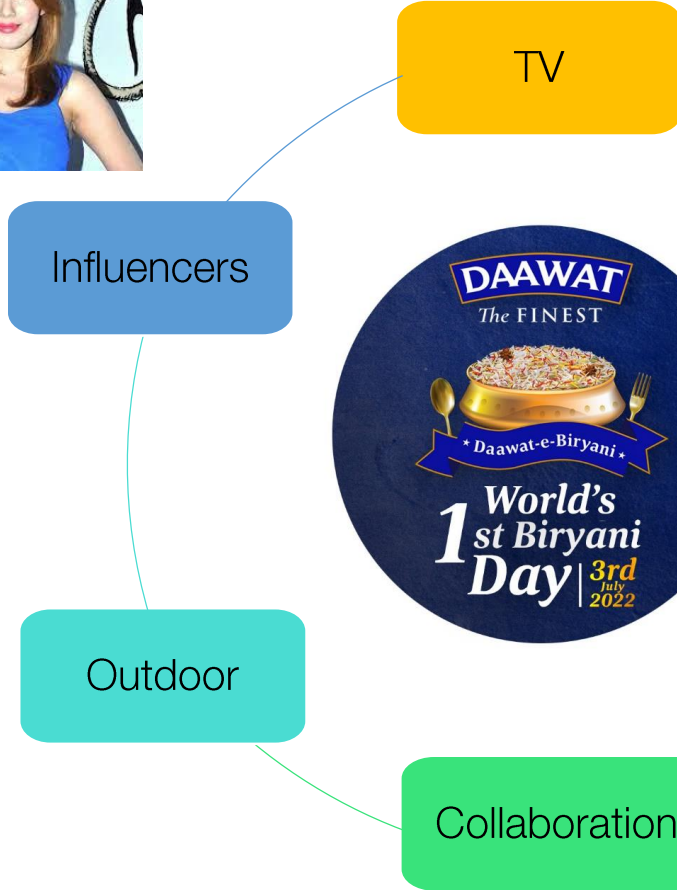
GST on Pre-packaged and labelled Goods

Going forward, pre-packed and labelled food items such as rice to attract 5% GST

Currently, only branded versions of these items attracted 5% GST.

This is likely to result in level playing field for branded rice products resulting in better growth opportunities

World's First Biryani Day



YouTube

gaana

POKKT MOBILE ADS

inshorts
stay informed

RED FM 93.5
Bajarte Raho!

7 cities

91.1 FM Radio City

Neck tags; Influencers; Social Collab post; Discount Coupons



Influencers

20+ Influencers , combined reach of 5Cr



15 Cities, 40+ hoardings

8Cr+ Impressions in Digital

Outdoor

Collaboration

“Iss Eid ki Biryani Sirf Daawat Biryani”



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TV Campaign

News Paper

YouTube Campaign



5000+ spots

3 Weeks Campaign

73% Prime time spots

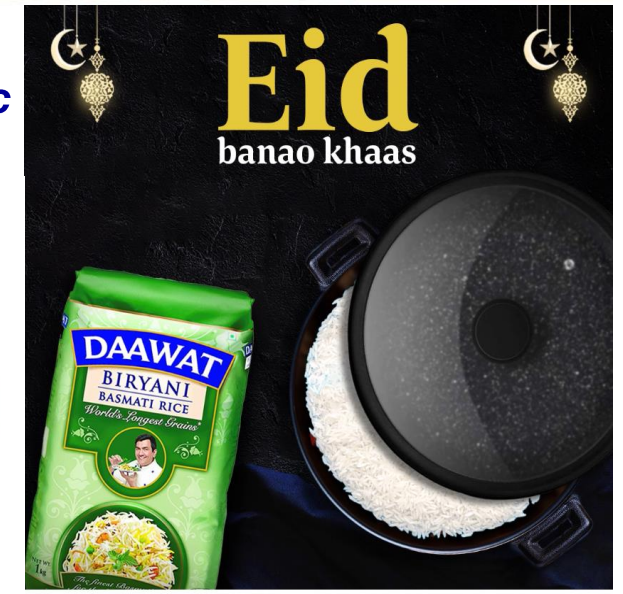
1.5Cr+ Impressions on 6 Sec



2 Cr + Views

60L+ views on 30 Sec

Launched Daawat Festive Feast Pack



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

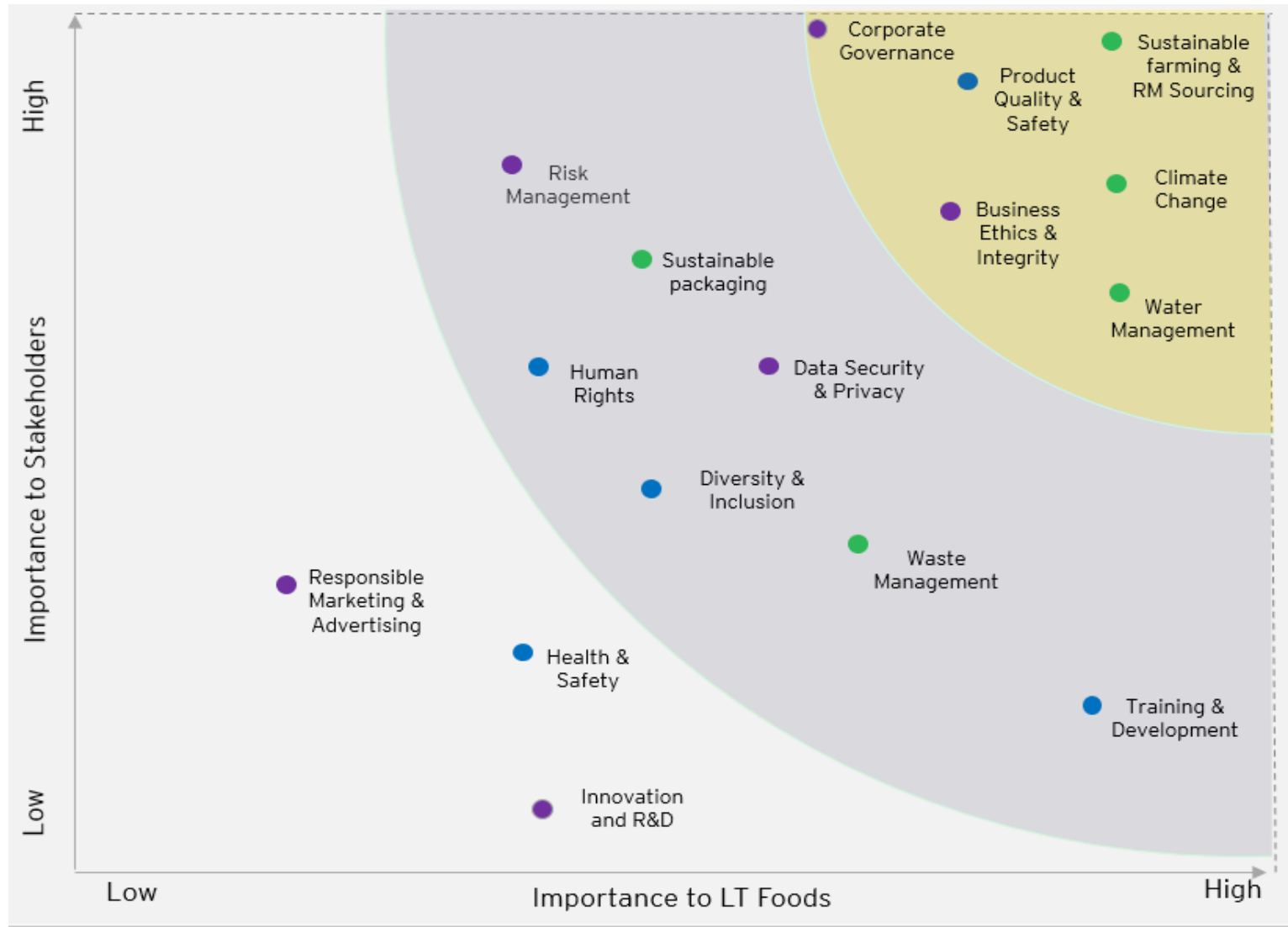
Strengthen Balance Sheet Metrics and enhance return ratios

FY25: ROCE **c. 23%**

FY25: ROE **c. 20%**

ESG

ESG Materiality Matrix



●	Environmental
●	Social
●	Governance

Sustainable Farming



47,000 acres under land laser levelling and AWD (2020 and 2021):

- Reduction in Fertilisers cost by 27%
- Reduction in Pesticide cost by 26%
- 9% increase in paddy yield
- 26% increase in farmer profitability



1.4 lakh acres of organic certified farming

13,000 farmers trained on sustainable farming practices (2019 to 2022)



ESG - Environmental Indicators



Water Conservation

Water saving of ~113 Billion litres over 3 years through land laser levelling

Water Conservation Project covering 12 villages (11 stop dams and 4 ponds)

Zero water discharge and Rainwater harvesting facility at all factories



Sustainable Packaging

74% recyclable packaging portfolio

76 MT plastic waste collected and recycled from market during 2021-22



ESG - Environmental Indicators

Climate Change

46% electricity from
renewable sources

1 Lakh trees planted
(2020 to 2022)

170 acres of land destined
to biodiversity

700 solar streetlights

2500 energy efficient
cookstoves and solar lamps
to rural families



ESG - Social Indicators



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30+ ESG certification



Zero fatality at workplace



27,000 MT fair trade
certified products



ESG - Social Indicators



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Clean drinking water to over 20,000 beneficiaries



Infrastructure development for 10 villages (building, roads, drainage, community centre etc.)



Awareness for menstrual hygiene and setting up sanitary pad units



Adopted 19 schools for improving infrastructure and quality education



ESG - Governance Indicators



57% Independent directors



2 or less number of directorship of independent directors in other listed companies



100% Board Attendance

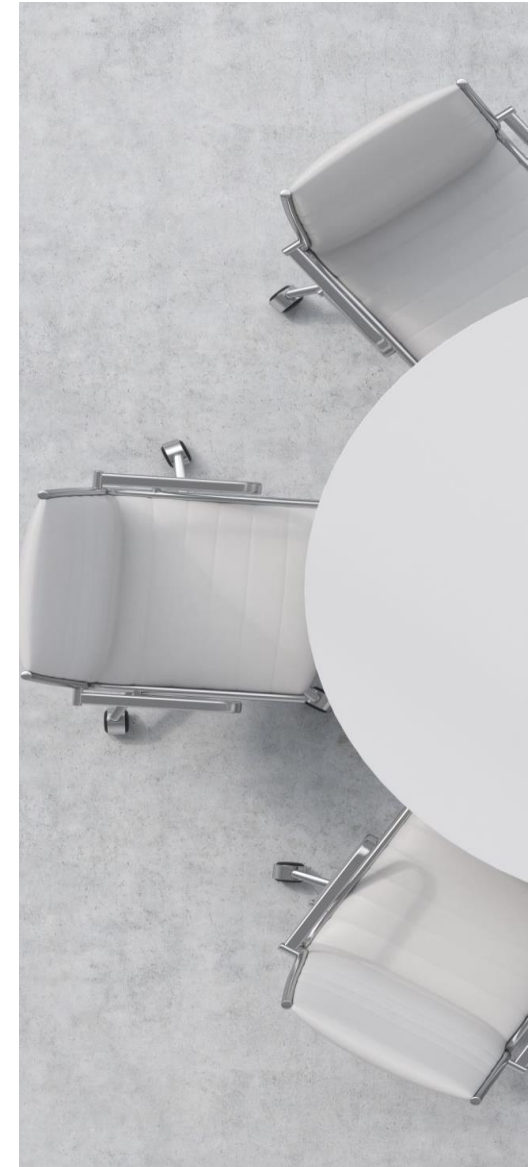


29% gender diversity at board

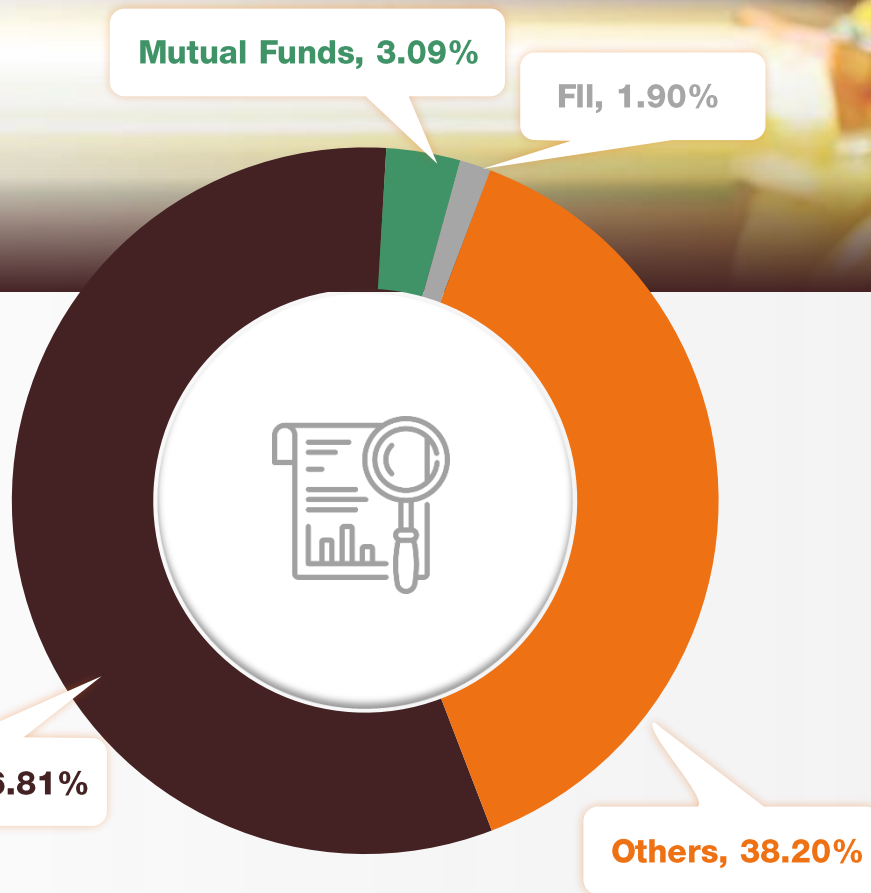
100%
Independent

Audit Committee

Nomination and Remuneration Committee



Shareholding Information



Shareholder Information as on June 30 , 2022


BSE Ticker	▶	532783
NSE Symbol	▶	DAAWAT
Market Cap (₹ Cr)	▶	2,416
% Free- float	▶	43.19%
Free Float Market Cap (₹Cr)	▶	1,043
Shares Outstanding (Cr)	▶	32
Industry	▶	Consumer Food

Promoter shares are unencumbered

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 ltgroup.in

 DaawatBasmatiOfficialAuthenticRoyalFoods

 CIN: L74899DL1990PLC041790

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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