



LT Foods



Investor Presentation

May 2020

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Q4 FY20 Key Highlights (y-o-y)

Branded Revenue
up by **20%**

International Branded
Business up by **32%**

Organic Revenue up by
15%

Gross Profit up by **29%**

EBITDA¹ up by **54%**

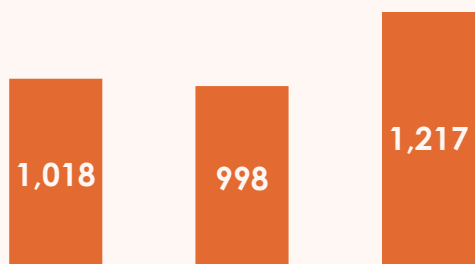
PAT up by **167%**



1. EBITDA includes impact of Rs. 5.7 Cr on account of IND AS 116

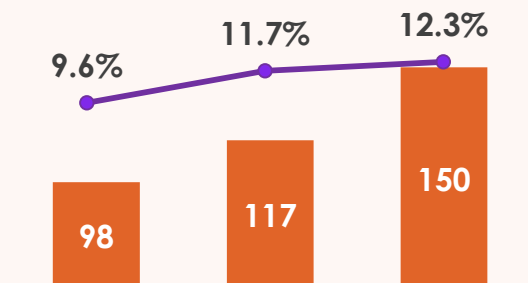
Q4 FY20 - Strong Growth in Revenue & Profitability

Revenue



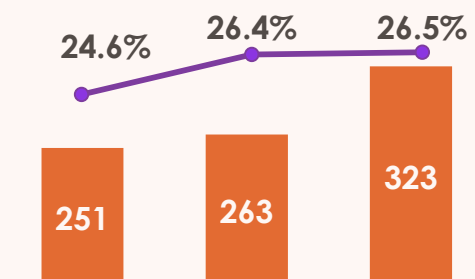
Q4FY19 Q3FY20 Q4FY20

EBITDA & EBITDA Margin



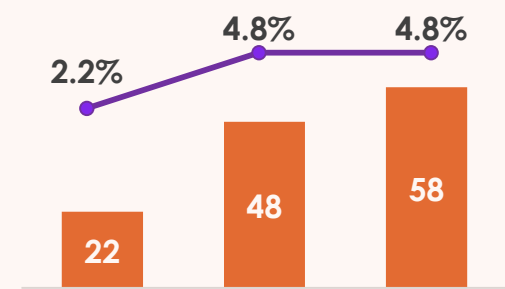
Q4FY19 Q3FY20 Q4FY20

Gross Profit & Gross Margin



Q4FY19 Q3FY20 Q4FY20

PAT & PAT Margin



Q4FY19 Q3FY20 Q4FY20

- Revenue up 20% y-o-y
- Gross Profit margin increased by 190 bps on y-o-y basis, due to:
 - Change in product mix towards higher margin products
 - Robust growth in international and organic business
- EBITDA higher by 54% and margin have increased by 275 bps on y-o-y due to increased Gross Profit and operational efficiencies
- PAT increased by 167% y-o-y and margin have increased by 265 bps, aided by saving in Finance Cost

All Figures in Rs. Cr unless specified

FY20 Key Highlights

Branded Portfolio

74% vs **69%**

Branded Revenue up by **14%**

International Branded Business
up by **20%**

Gross Profit up by **14%**

EBITDA¹ up by **21%**

EPS up by **46%**

Cash Generated from
Operations up by **365%**
(Rs. 477 cr vs Rs. 103 cr)

Improvement in Debt to EBITDA
ratio (**2.9x** vs **4.0x**)

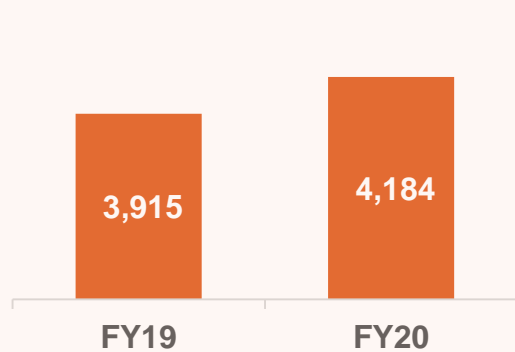
Debt down by **Rs. 235 cr**

ROCE improved by **230 bps**
(**13.6%** vs **11.3%**)

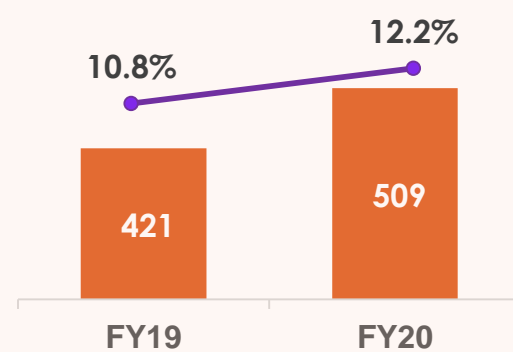
1. EBITDA includes impact of Rs. 21.1 Cr on account of IND AS 116

FY20 - Performance Driven by Branded Revenue Growth and Improved Operational Efficiencies

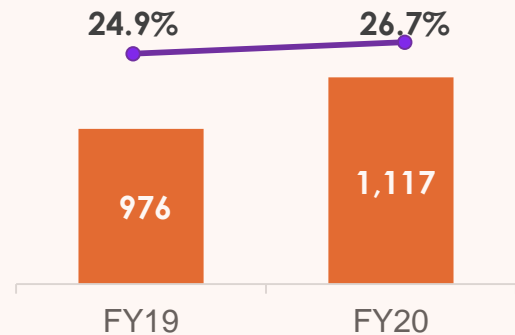
Revenue



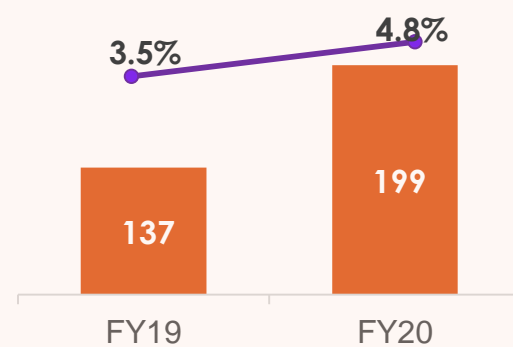
EBITDA & EBITDA Margin



Gross Profit & Gross Margin



PAT & PAT Margin

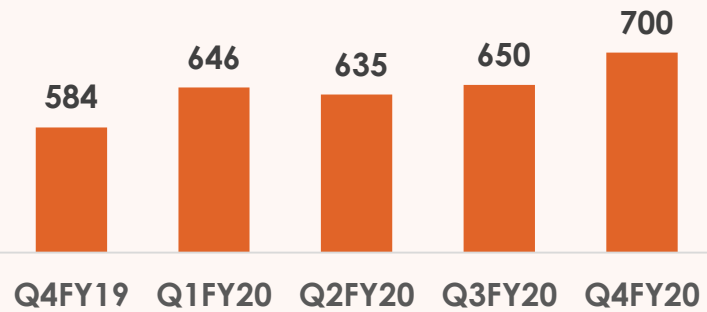


- Revenue up by 7%
- Gross Profit up by 14% and Gross Profit margin improved by c. 174 bps on driven by:
 - Higher growth of branded and organic business
 - Strong growth in US and Europe
- EBITDA up by 21% and EBITDA margin improved by c.140 bps due to increased Gross Profit and operational efficiencies
- PAT increased by 45% and PAT margin improved by c. 125 bps, aided by savings in Finance Cost

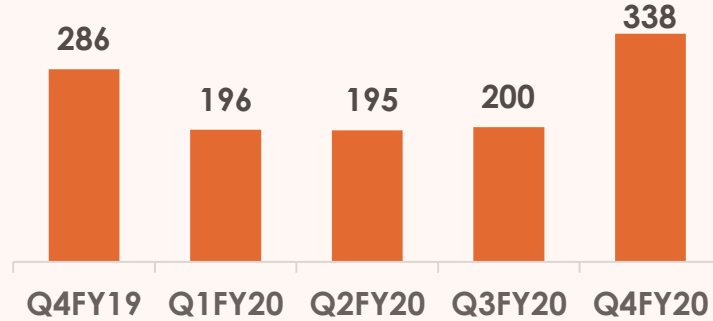
All Figures in Rs. Cr unless specified

Business Segment Performance

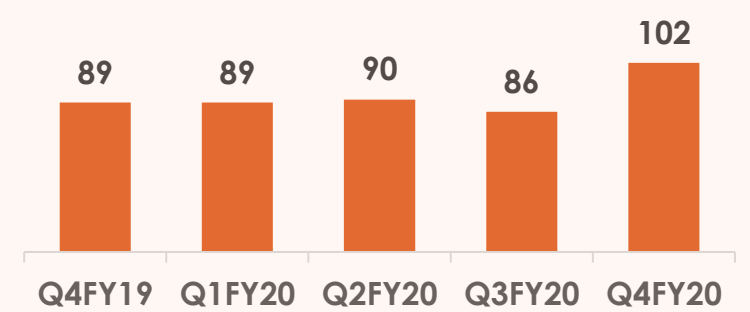
Branded Revenue



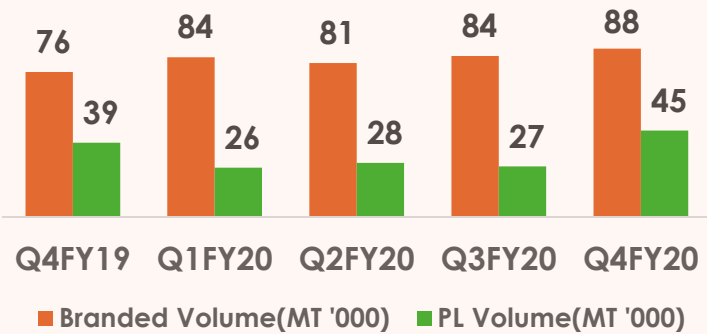
Private Label Revenue



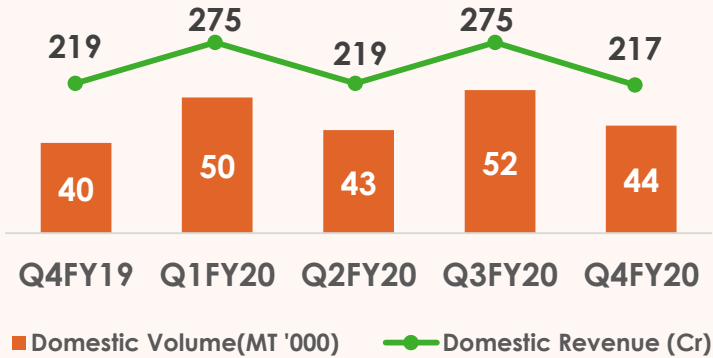
Organic Revenue



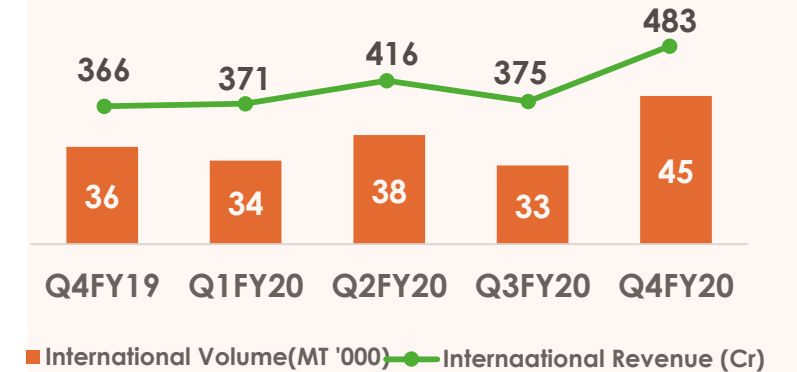
Branded & Private Label Volume



Branded India Revenue & Volume



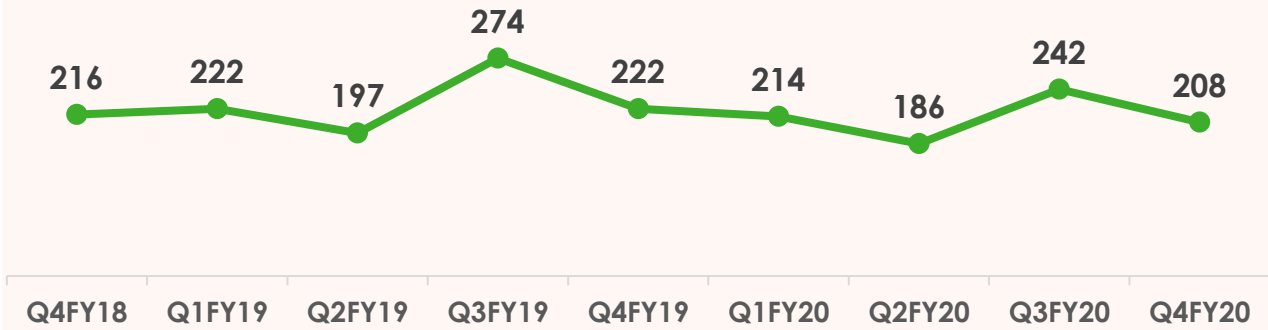
Branded International Revenue & Volume



All Figures in Rs. Cr unless specified

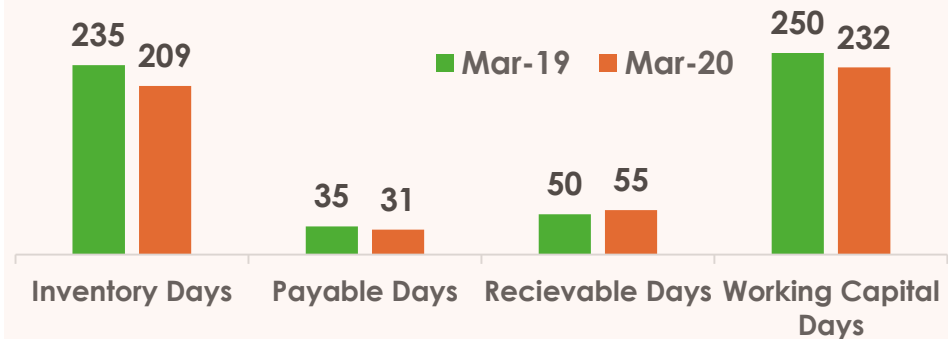
Inventory and Working Capital

Inventory Days



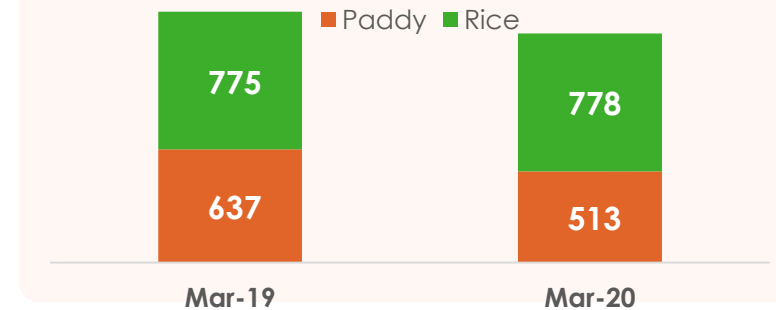
- Procurement of Paddy starts in Q3; this results in increase in inventory in Q3. It starts reducing in subsequent quarters and reaches the lowest level by Q2
- Basmati Rice is aged up to 24 months to enhance & intensify taste, aroma, and cooking characteristics. This requires company to maintain large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

Working Capital Days



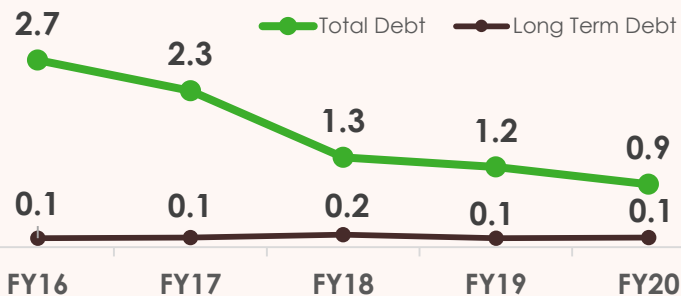
Working Capital Days have reduced by 18 days

Inventory Value (Rs. Cr)

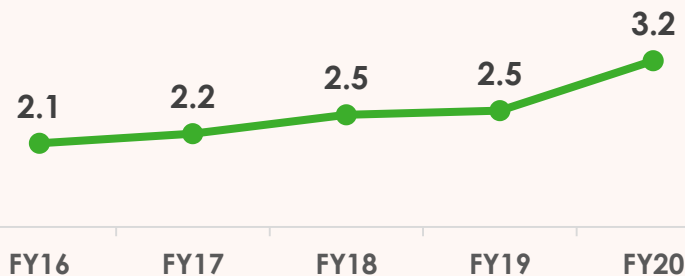


Key Financial Ratios and Other Growth Parameters

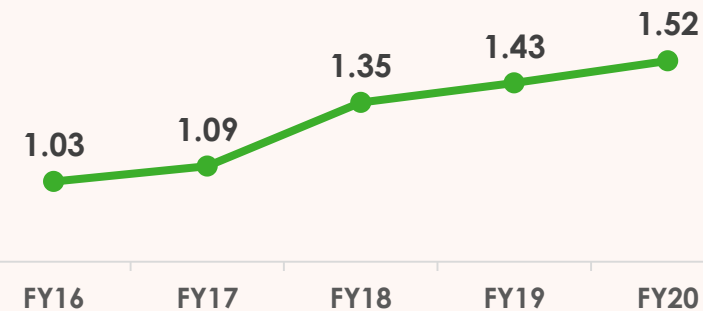
Debt/Equity



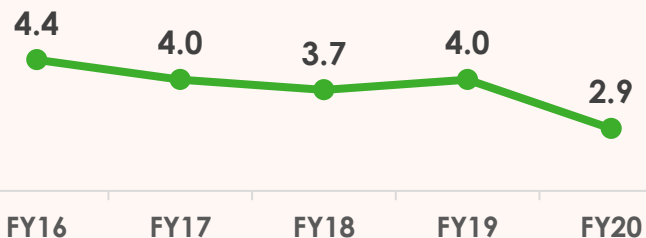
Interest Coverage Ratio



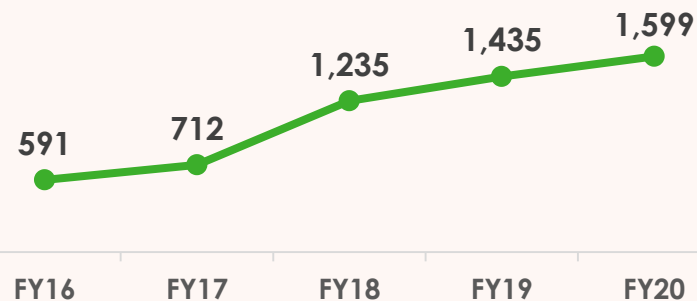
Current Ratio



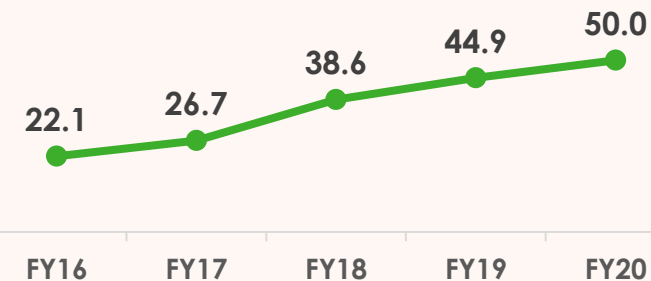
Debt EBITDA Ratio



Net worth (Rs. Cr)

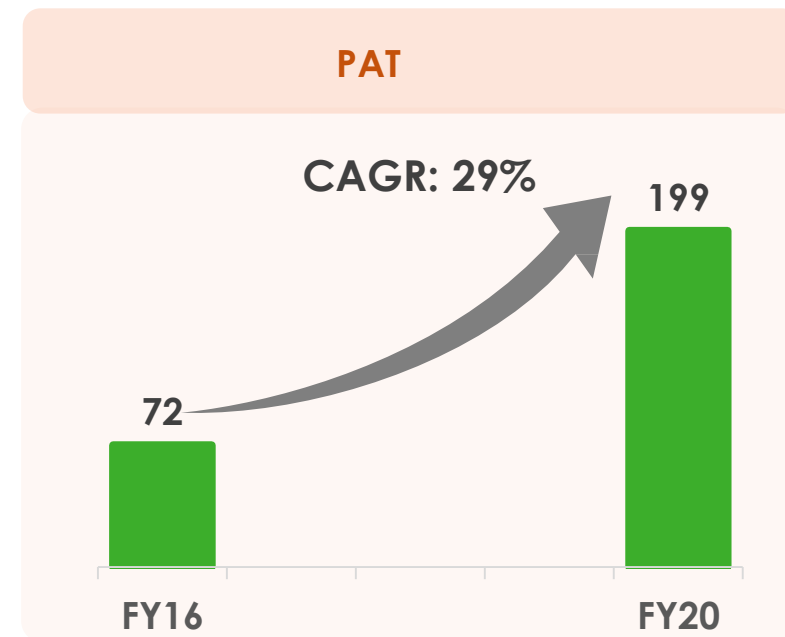
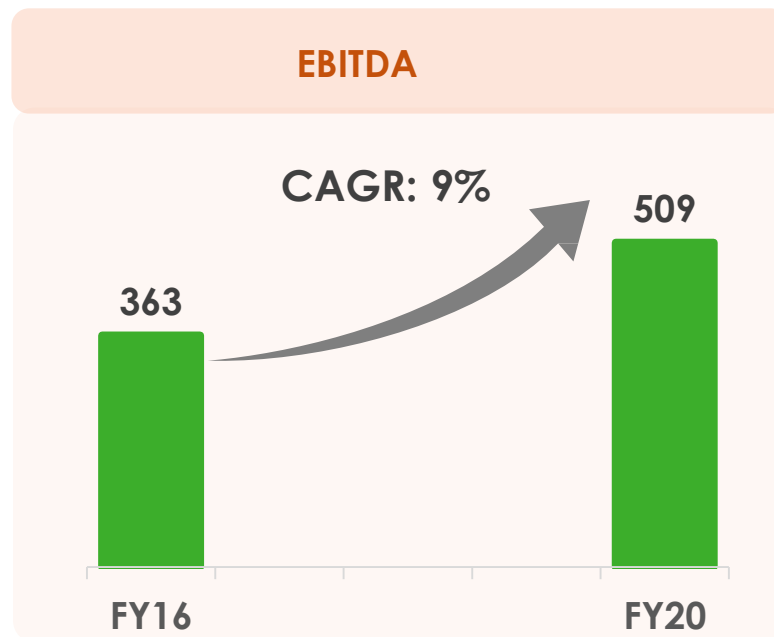
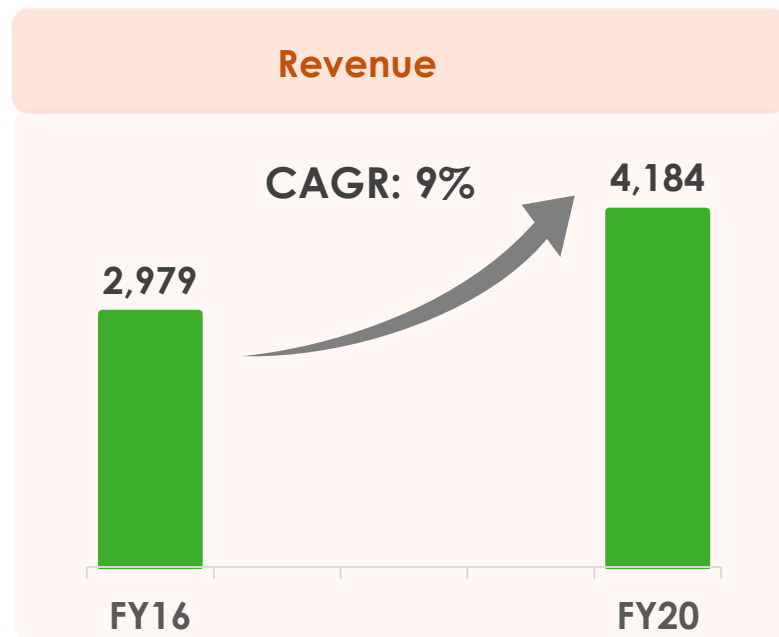


Book value per share (Rs.)



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

Maximising Shareholders Wealth by Strategic Focus towards Profitable Growth

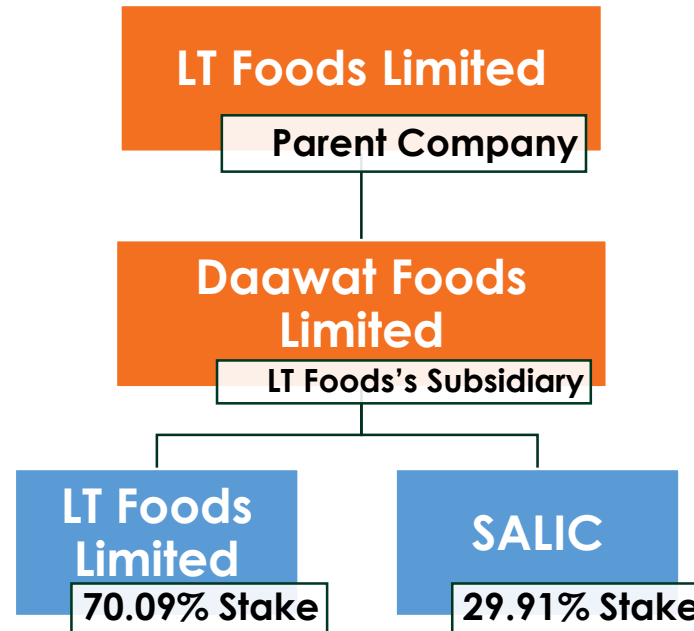


Growth in revenue is being supported by strengthening the brands, widening distribution network and increasing brand penetration across all consumer segments. Margin expansion supported by change in product mix towards higher margin brands and ensuring cost efficiencies

All Figures in Rs. Cr unless specified

Partnership with SALIC to create new growth opportunities

- **SALIC (Saudi Agricultural & Livestock Investment Company)** acquired stake in **Daawat Foods Limited** (Subsidiary of LT Foods Ltd) through its subsidiary **United Farmers Investment Company**



- **Transaction:** United Farmers Investment Company acquired **29.81% stake** of India Agri Business Fund (Sponsored by Rabobank) and 0.1% stake of REAL Trust, for an amount of **USD 17.23 million**. There shall be no impact on the shareholding of LT Foods Limited.

Partnership with SALIC will help to open up and create new opportunities in the Middle East besides strengthening our presence there

Early Action to Minimize COVID- 19 Impact and Win in the Post COVID-19 World



Employee Safety

- Have adopted 'Work from Home' for all employees at all offices across globe
- The Company has taken additional insurance for employees working during COVID times
- Accelerated digital initiatives in light of COVID 19
- Incentivized workers working during lockdown



Procurement

- Well entrenched procurement network headed by experienced professionals
- We have adequate inventory of paddy and rice to take care of increased demand



Supply Chain, Logistics and Packaging

- Ensured requisite inventory availability, to meet the consumer needs
- Got regular support from the packaging vendors and increased our number of packaging vendors
- Got regular support from transport and shipping companies due to our long standing relationships
- E-commerce has emerged as a winner in these trying times. Also partnered with Swiggy, Zomato and Dominos



Production

- All the plants were operational post obtaining requisite permission
- Only essential workforce on the shop floor and adhering to all safety guidelines and strict adherence to "Social Distancing" norms

Initiatives to Help the Community during COVID-19

- Donated Rice for the needy and migrants workers in collaboration with Chef Vikas Khanna
- Obtained requisite permission from Government to arrange for buses and cars to help the migrant workers reach home
- Helping daily wage workers with income, food, water, shelters and medical testing to ensure good health
- Working on providing subsidized seeds, compost, etc. to farmers for helping them increase their income in this time of crisis
- Donated to Chief Minister Fund of Madhya Pradesh
- Distributed soaps and sanitizers to migrant workers



DAAWAT
Sehat

IRON AUR VITAMIN YUKT BASMATI

Your one share will ensure
one less hungry person.
For every share of this post, Daawat Sehat will provide
a meal* to someone who needs it the most.

In association with
Feed my City

**Our newly launched
“Daawat Sehat”
collaborated with Feed
My City to provide meals
to the needy**

*As per agreement with Feed My City

Who Are We

We are a 70-year-old Consumer Food Company delivering the finest quality rice and rice-based food brands, providing taste and nutrition in more than 80 countries. We also produce organic agri ingredients, supplying them to leading businesses in Europe and the US for 25 years.

Our product offerings are across Basmati Rice, Regional Rice, Organic and Health & Convenience Foods.



Milestones In Our Progress

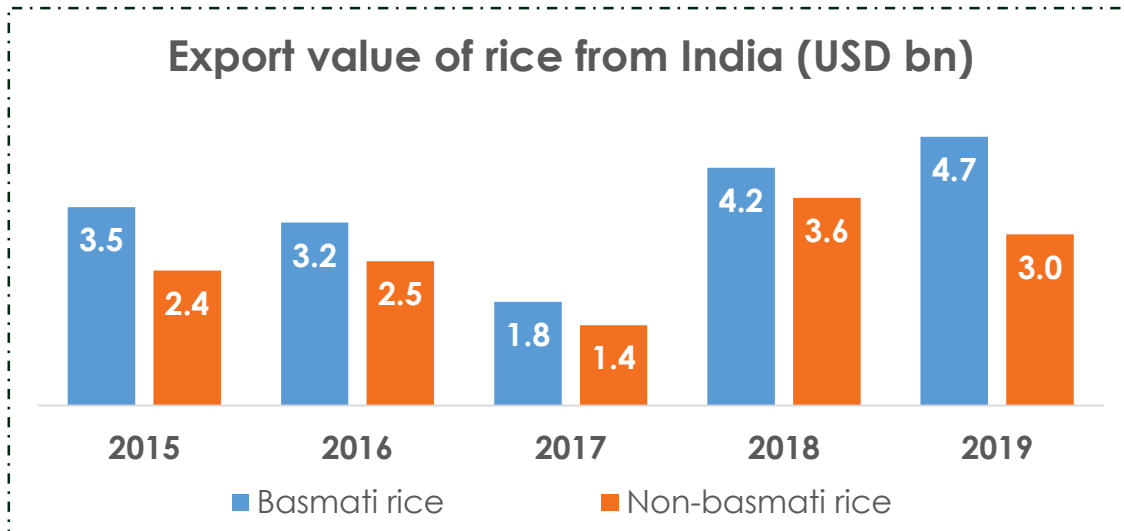


Our journey from a bulk rice player to a leading Consumer Food Company

Opportunity Landscape

World of Rice

- Rice is a staple food and one of the most widely consumed grains in the world
- India is one of the biggest producers of rice globally (23%) and forecasted to grow at **CAGR of above 6%** in the near future
- Organised market is growing nearly at a **CAGR of 12%** playing an essential role in developing the packed rice market in India



Source : Market Research

Basmati Rice

- **India is the largest Basmati rice producer** (producing 7 MMT out of the total industry size of 8.5 MMT)¹ and it continues to grow, driven by international market demand and potential upside from branded demand/premiumisation in India
- Out of India's market of 2 MMT consumption market size, only 35% is branded packaged rice market

Majority of Basmati is exported (~75%). Overseas markets for Basmati include the Middle East, U.S., U.K. and parts of EU

4-5%

Growth of India's basmati rice exports 2019-20

11.2%

Expected CAGR of global Basmati rice market till **2024**

US\$ 7 bn

Estimated size of the Indian packaged dry rice market in 2023 growing at a **CAGR of more than 11%**

Lifestyle-Induced changes reshaping Food Market

Opportunity Landscape

Region Wise Basmati Rice Market



LT Foods is one of the leading players in Basmati Rice segment in India and globally

Regional Rice

- There are several types of regional rice available in India like Swarna rice, Sona masoori rice several others
- **~USD 30 million** worth of Sona masoori rice gets exported from India every year month and the figure is consistently increasing

LT Foods has started offering high quality Sona Masoori rice and Lachkari Wada Kolam in India and globally, to leverage the growing opportunity

Source : Market Research. MMT: million metric tonne

Experiencing Changes in Consumption Trends



**Rising disposable income
and global exposure**



**Rapid urbanisation with growing
affluence and need for
convenience**



**Increasing demand for
organic products**



**Growing middle class and
increasing brand awareness**



**Increasing spending on premium
quality branded products**



**Digital inclusion and rise
of e-commerce**

Lifestyle-induced changes reshaping food market

Opportunity Landscape: Organic, Health and Convenience foods

Organic Food

- Demand for natural, fresh and locally sourced foods, which are healthier and more wholesome than packaged foods with more shelf life are rising
- **23%** expected CAGR of global organic food market by 2023

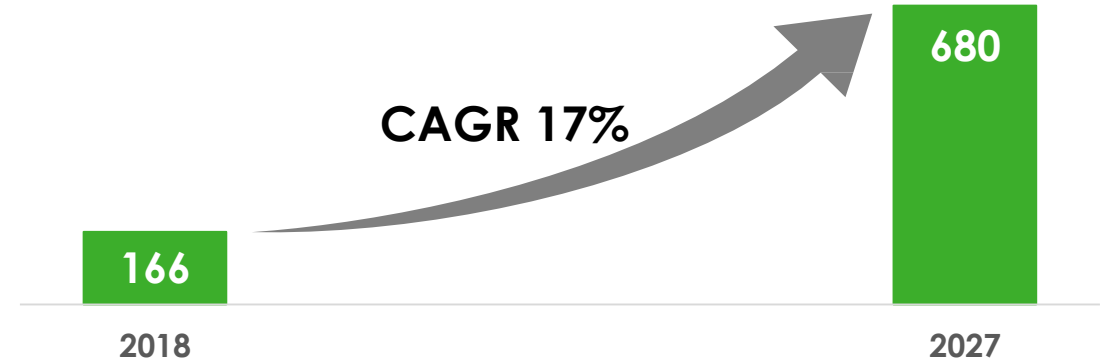
LT Foods deals in organic products and ingredients and supplies to food companies in the US and Europe. Launched organic brand "EcoLife"

Health food

- Consumers are adapting to healthy eating habits for leading a good life. They are looking for options that are indulgent, delicious and produced with quality ingredients
- Global Health and Wellness Food Market is expected to grow by **USD 236 bn by 2024**, with at a CAGR of **6%**

LT Foods has been keeping a tap on the changing consumer needs and preferences and has ventured in the Organic and Health & Convenience products, such as Quick Cooking Brown Rice, Saute Sauces, Kari Kari, Ready-to-Heat products and others

Global Organic Food and Beverages Market
(USD bn)



Convenience food

- Food sector is rapidly evolving on the back of lifestyle-induced changes in consumer preference towards convenience foods and experiencing robust demand
- Global packaged rice snacks market size has the potential to grow by **USD 6 bn** by 2024

Driven by Strong Product Portfolio Across Business Segments and Geographies

Perfectly positioned across channels to leverage on the growth opportunity



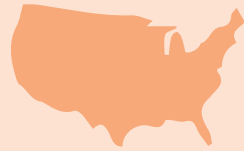
We Are Poised to Grow Across Markets

India



- Indian basmati rice market is of ~2 MMT
- LT Foods is present in India with its flagship brand 'Daawat'; that holds a market share of ~26% and other brands Heritage, Rozana, Deevaya, etc.
- India contributes ~36% to overall revenue
- Offerings: Basmati Rice, Regional Rice, Health & Convenience Products

Americas



- Americas basmati rice market is of ~0.2 MMT
- LT Foods is present in US and Canada with its flagship brand 'Royal' that hold ~45% market share and is the No. 1 Basmati brand in the US
- US contributes ~36% to overall revenue
- Offerings: Basmati Rice, Regional Rice, Organic, Health & Convenience Products

Europe



- European basmati rice market is of ~0.4 MMT
- LT Foods had set up a facility in Europe in 2017, to capture the growing demand for Basmati in Europe in United Kingdom
- Europe contributes ~11% to overall revenue
- Offerings: Basmati Rice, Organic, Health & Convenience Products

Middle East



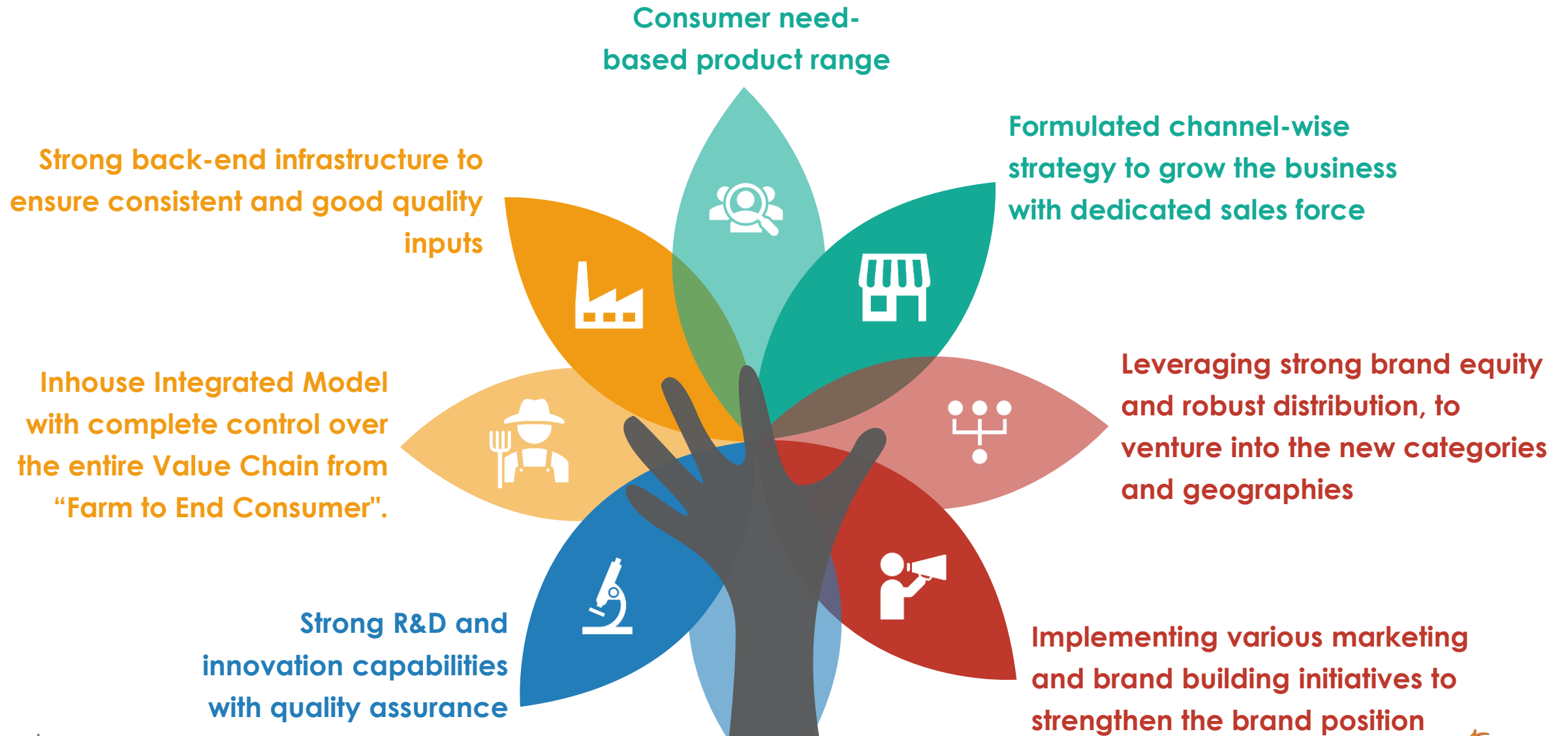
- Middle East basmati rice market is of ~4.2 MMT
- LT Foods has ground presence in Middle East, with flagship brand 'Daawat, acquired well known brands - Gold Seal Indus Valley & Rozana and strong private label partnerships
- Middle East contributes ~12% to overall revenue
- Offerings: Basmati Rice

Rest of the world



- Rest of world's basmati rice market is of ~0.2 MMT
- LT Foods present in more than 80 countries with flagship brand 'Daawat' and other brands such as Heritage, Rozana, Deevaya, etc.
- Rest of world contributes ~5% to overall revenue
- Offerings: Basmati Rice

Our Strategies



India

Basmati Rice Business

- Flagship Basmati Rice brand in India, offering premium quality Basmati Rice across all price points in India
- Portfolio consists of **DAAWAT**, **Heritage**, **Rozana**, **Chef Secretz** among others
- **Present across all channels** such as General Trade, Modern Trade, HORECA, E-Commerce, and all price points from Specialty to Mid-Range to Value-Range
- **Consumer need-based product range**, recipe variants such as Biryani and Pulav, Food service cooking need-based range – DAAWAT Chef's Secretz



26%+

Market share (Rural & Urban)

23%+

Market share in Grocers for basmati rice

30%+

Market share in modern trade

India

Regional Rice

- Leveraging strong brand equity of brand "**Daawat**" and robust distribution ventured into the Regional Rice category
- Product Portfolio includes - **Sona Masoori, Lachkari Wada Kolam**
- **Getting positive response from the market**
- **Launched in a few cities and across channels** such as General Trade, Modern Trade and Food Service
- Implementing various **marketing and brand building initiatives** to strengthen the brand position



India

Health and Convenience Foods

Daawat Quick Cooking Brown Rice



- **First Company to introduce** 15-minute Quick Cooking Brown Rice
- **Fastest growing product** in the new innovations segment
- Available across **all channels Pan -India**

Daawat Sehat



- Launched to meet the **health and nutritional needs** of the consumer
- Range of daily consumption basmati **fortified with iron, vitamins and folic acid**, to address the incidence of under nutrition amongst all children
- The brand is certified F+ by FSSAI

Kari Kari



- Entered into the **Healthy and Premium snacks** category
- Launched under a **Joint Venture with Kameda Seika**, a Japanese snack food major
- Flavours: Chilli Garlic, Spice Mania, Salt n Pepper and Wasabi
- **Successful test launch**
- Recently set up a **manufacturing unit in Haryana**

Daawat Sauté Sauces



- Just add these sauces to cooked rice and a **new flavorful dish** is ready in minutes
- Available in 5 different variants: Dum Biryani, Masala, Hot Garlic Manchurian and Schezwan
- Available across **Modern Trade stores Pan-India**

North America

Basmati Rice Business

- Present in Branded and Private Label Basmati business
- Present across all channels through its flagship brands **Royal - Largest selling Basmati Rice brand in North America, Daawat and 817 Elephant**
- Product portfolio consists of **Basmati rice, Jasmine rice, Arborio rice, Wheat Flour, and Flavored Rice**
- Present across all channels such as - Multi-Cultural (Ethnic channel), Mainstream, Food Service channel and E-Commerce channel
- Leveraging the brand's equity and distribution network, to expand the product portfolio in the US market



Snapshot of some of Our Key Customers

Canada



US- Club



US-Mainstream Retail



US-Ecomm



45%+

Market share of the US basmati rice segment

39%+

Market share of the branded segment in the US

North America

Organic

- Leveraging the back-end strength from India and the distribution channel of "Royal" started selling organic products under brand "EcoLife".
- Also, selling organic ingredients to major organic food companies

Health and Convenience Products

- Based on changing consumer needs and preferences, LT Foods has launched Royal Ready-to-Heat products in 7 variants leveraging the brand equity and distribution network
- Received overwhelming response from the market



Middle East

Basmati Rice Business

- Present in Branded and Private Label Basmati business
- 10% market share in Premium Basmati segment
- Present across all channels - Modern Trade, Self Service, Traditional Trade and Food Service across all price points through our and acquired brands
- Our flagship brand '**Daawat**' well-known brands of the Middle Eastern region – **Gold Seal Indus Valley** and **Rozana** from Hindustan Unilever to strengthen our presence in this geography
- **Strong presence across countries** such as UAE, Kuwait, Qatar, Oman, Yemen, Saudi Arabia and Bahrain among others
- Recent strategic association with SALIC will help us further strengthen our position in Saudi Arabia
- **Increasing the number of activations** to strengthen our presence in this region

DAAWAT
THE FINEST BASMATI



Devaaya



Europe

Basmati Rice Business

- Present in Branded and Private Label Basmati business
- Set up a manufacturing Facility in Europe in 2017 which currently running at full capacity
- Present across all channels across all price points through our flagship brand 'Daawat'
- Strong strategic presence in Germany and Scandinavia nations and consistently growing ethnic business across various European markets
- Launched the new avatar brand "Daawat" to make Daawat a household name in Europe
- Continuously adding new customers and expanding to new regions such as UK and France

Organic

- Leveraging the back-end strength from India and the distribution channel of "Daawat", started selling organic products under brand "EcoLife".
- Also, selling organic ingredients to major organic food companies



Rest of World

Basmati Rice Business

- Present in Branded and Private Label Basmati business
- Present across more than 80 countries through flagship brands '**Daawat**', **Heritage** and **Devaaya**
- Consistently filling the portfolio gaps by launching new products based on changing consumer trends
- Various marketing and brand building initiatives implemented to strengthen the brand position
- Australia remained one of the largest contributors also present across countries such as Malaysia, Singapore, New Zealand, Maldives, Hong Kong, etc. with leading position in most of the countries
- Enjoy leadership position in Israel and the Reunion Island



Organic



Nature Bio Foods Limited (LT's subsidiary), has emerged as a trustworthy and innovative global leader in providing authentic organic ingredients to the global consumers

Range includes rice, pulses, oil seeds, cereal grains, spices and nuts

Ingredient business associated with marquee customers

Ecolife – Recently launched organic food brand

Introducing a range of organic 'ready to heat' products for the overseas market with a facility in the United States

Rabobank has made an investment in this Company

Associated with 60,000 farmer families and c. 80,000 hectares of certified organic land

Incorporated subsidiaries in both Europe & US to strengthen local presence in these markets

Marquee Organic Ingredient Buyers



90%
of business is from ingredient sales

100%
organic food facility with cold and CO₂ treatment in Sonapat, Haryana

First
Organic company in the country to be conferred with the coveted CII Food Safety Award

Bespoke Online and Offline Marketing



India

- Master Chef Sanjeev Kapoor continues to be associated with the brand
- Bollywood actress and fitness expert Shilpa Shetty got associated with Daawat Brown Rice
- Enhancing point of sale visibility



International

- Multicultural channel catering to core basmati rice consumers such as the South Asian, Arabic and Persian diaspora
- Mainstream channel reaching out to the general US population

Market-leading brands in action in FY2019-20



Highest Subscriber
base in our Category in YouTube



3,10,570
visits to Biryani corner on our
Website



1,36,100
Fan Base in Facebook

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

Growing Brand Equity

Launch of New Diwali Digital Film

“Iss Diwali mein Farq lao, Kise ki Diwali Khas Banao”



3,47,477 views • Liked by inmyframes.rajeevjain and deepakdaawat
daawatofficial Is Diwali mein Farq lao, kisi ki Diwali khas banao. Make this Diwali special for someone with Daa... more

Total Impressions

3.78 Cr.

Total Views

1.26 Cr.

Television Campaign

7600 TV Spots in 2 months Campaign in all key Channels



New Campaign Launched in South India

4500 TV Spots in 4 months Campaign in all key Channels & also did Digital Campaign



Across all major Channels in South India

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

Daawat offers consumer, variants for their specific recipes which are all promoted

Biryani Dedicated Campaign on Social Media

Daawat Created 12 most searched Biryani Recipes



Total Impressions 5.7 mn. **Total Views** 3.4 mn.

Traditional Rice Digital Campaign

Targeting Consumers through Prognatic



Total Impressions 2.4 mn. **Total Views** 1.1 mn.

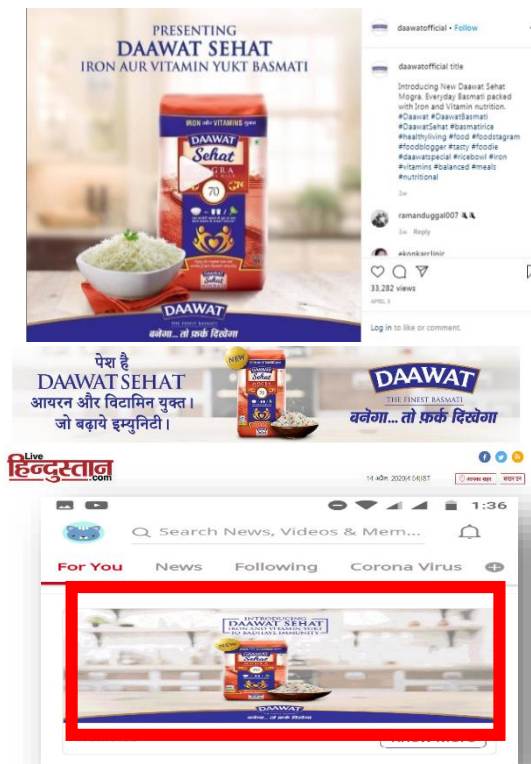
Daawat Brown Rice Campaign

Reaching potential users by targeting on contextual & behavioural basis



Total Impressions 7.46 Cr. **Total Views** 5.27 Cr.

Promotion of newly launched – Daawat Sehat Across print and digital media







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

Leveraging our Integrated Operations and Global Supply Chain Network

Fully integrated Organization having complete control over the entire value chain and strategic location of our manufacturing facilities close to procurement areas helping us to strategize our growth plans effectively



Integrated Farm-to-fork Business Model

 <p>Sustainable farming</p>	<ul style="list-style-type: none"> • Robust backward integration through partnerships with farmers under Sustainable Rice Production (SRP) Programs to deliver residue-compliant products. • Agri extension team supports farmers throughout the year for rice farming. 	<p>5,000+ farmers associated under the SRP programme</p>	<p>60,000+ acres growing residue complaint paddy</p>
 <p>Procurement</p>	<ul style="list-style-type: none"> • Wide procurement network with strong quality control across all mandis (procurement markets) 	<p>234+ Procurement markets (mandis)</p>	<p>270+ Network of agents</p>
 <p>State-of -the-art processing facilities</p>	<ul style="list-style-type: none"> • State-of-the-art processing and packaging facilities in India, Europe and the US • Advanced milling and packaging infrastructure incorporate global best practices and continuously focuses on cost effectiveness • Strategically located facilities 	<p>Five Manufacturing facilities in India 1 Manufacturing facility in Europe</p>	<p>Three Packaging units and a ready-to-heat facility in US</p>
 <p>Wide distribution reach</p>	<ul style="list-style-type: none"> • Global distribution network including India across all channels such as, Mainstream, Retail Outlet, and Hotels/Restaurants and Caterers (HORECA). Ground presence in US, the Middle East and Europe • Present across all major E-commerce platforms globally. Also tied up with Food Delivery partners such as Swiggy, Zomato and Dominoes in India during the COVID-19 times 	<p>1,50,000+ Retail outlets, 3,600+ wholesalers, and 2,500+ modern trade stores in India; supported by 800+ distributors</p>	<p>250+ International distributors to cater to the global market 80+ Country global presence</p>

Integrated operations provide several competitive advantages, including the ability to purchase large quantities of paddy at competitive prices, and effectively plan, schedule and implement production, storage and further distribute it pan-India and across geographies through its well-entrenched distribution network

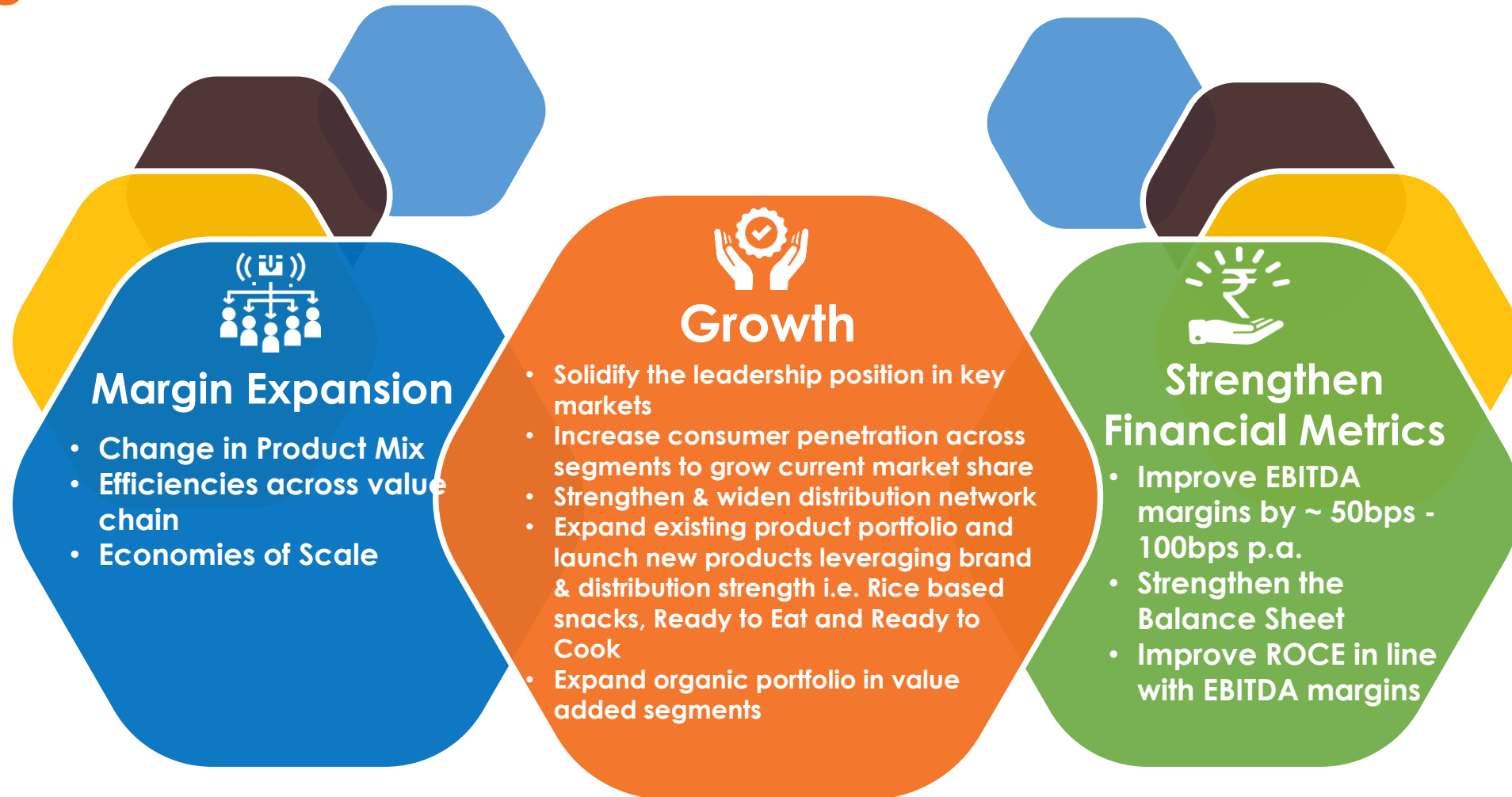
Global Market & Supply Chain Hubs



Key Takeaways



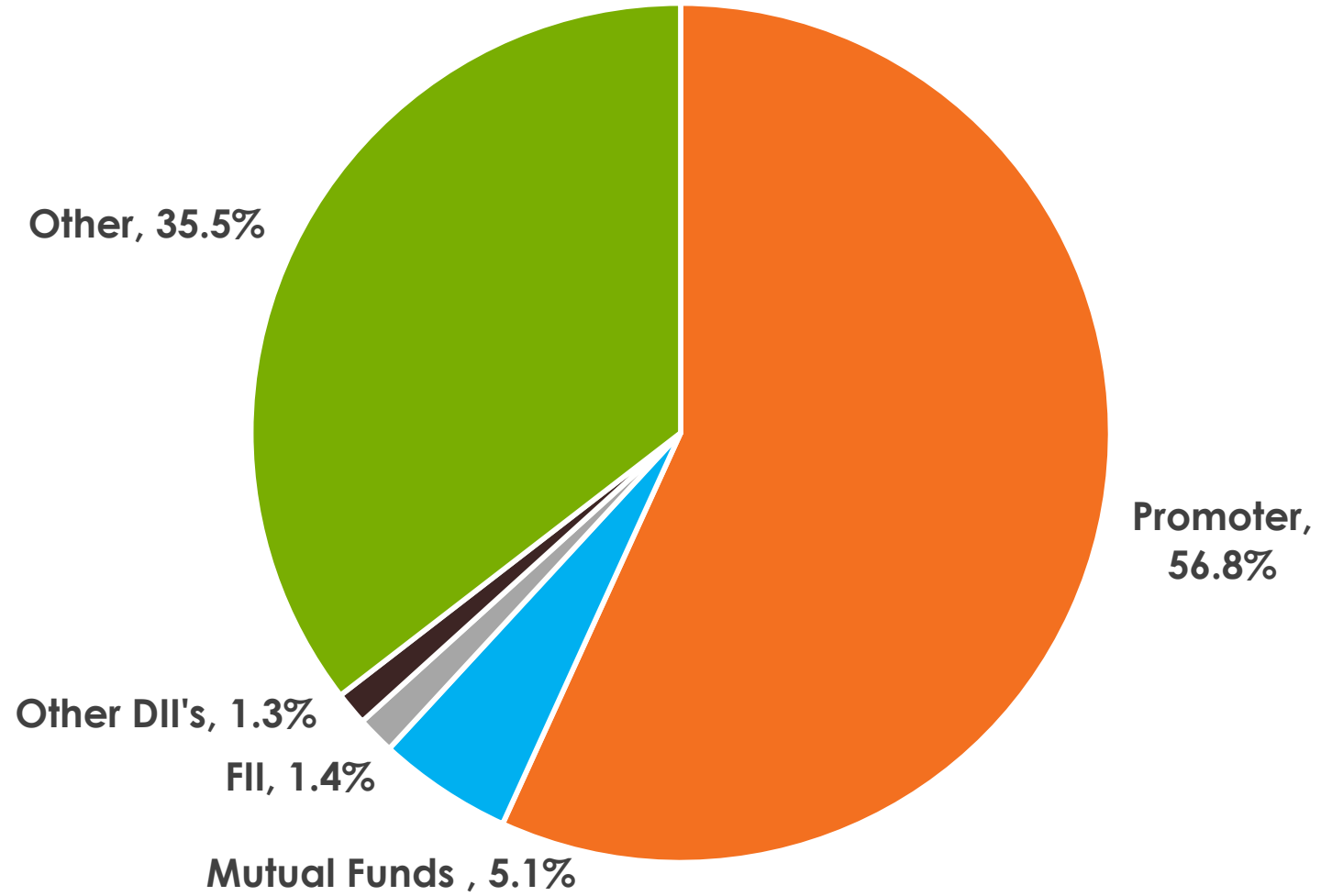
Strategic Focus



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

Shareholding Pattern

As on March 31, 2020



Investor Contact

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Devaaya



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