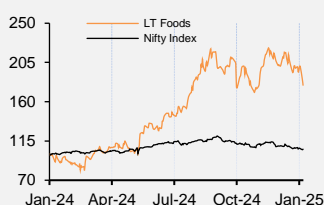


Result Update
January 28, 2025

(Maintain)	BUY
Target Price (INR)	459
Share Price (28/01/25, INR)	356
Expected Return	29%

Revenue (25E, INR mn)	85,301		
EPS (25E)	17.7		
NIFTY	22,957		
Market Cap (INR bn)	123.9		
Shares Outstanding (mn)	347.3		
Free Float (%)	47.5		
Foreign Ownership (%)	19.0		
52-Week Low	160		
52-Week High	452		
(%)	1M	6M	12M
Absolute	-11.4	24.0	81.9
Relative	-7.8	31.5	74.4



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LT Foods

Benign quarter; Higher freight weighed on margins

Result Highlights

LT foods' revenue stood at INR 22.7 bn, up by 17.2% YoY primarily on the back of 15% volume growth in Basmati segment. Basmati/Organic foods/RTE&RTC segment reported revenue growth of 17%/27%/-15% YoY in Q3FY25 respectively. Gross margin at 33.5%, a growth of 113 bps YoY due to softer input cost, while Ebitda witnessed a growth of 4.7% to INR 2.4 bn. EBITDA margin was recorded at 11% down by 131 bps YoY. Inventory days for 9MFY25 is 268 v/s 248, higher this year on account of strategic paddy procurement, as greater demand is anticipated in key markets like the US and India.

US leads growth; Margin recovery delayed due to higher freight cost

Basmati & specialty segment revenue up 17% YoY led by 15% volumes growth supported by strong demand in the US, Europe & Middle East. Other expenses increased due to increasing freight cost by 2.3% yoy and 0.5% qoq reaching 7.1% of sales. Freight costs negatively impacted profits from the US-based Golden Star JV, despite its 20% revenue growth and strong market position as the top-selling Jasmine rice brand in America. The company expects freight rates to decrease by FY26 (from 7.2% to ~6%), with benefits starting by Q2FY26. In Q3FY25, Europe saw cost reductions, but inventory delays hindered immediate impact. The US has yet to see significant reductions. Organic segment delivered strong 27% growth driven by expanded distribution in Europe and the US. The RTE/TRC revenue declined 15% YoY on discontinuation of Daawat Sehat, however expect strong growth from new launched products. The company targets an overall EBITDA margin of 14%+ in four years, with a 10-12% CAGR and annual organic segment revenue of INR 10bn by FY26. RTE/RTC is expected to break even at a revenue base of INR 4bn by FY27. Organic segment growth is projected at ~10% in FY26, while volume growth is expected at 12-13% for FY25 and 12% annually in FY26. We expect the revenue CAGR at 16% over FY24-27E in RTC/RTE segment. Overall, we estimate Revenue/EBITDA cagr to be 12.1%/13.8% over FY24-27E respectively. Expecting recovery in margins (freight softening H1FY26 onwards, continued focus on value-added products, etc.), we now expect a 14.9% EPS CAGR over FY24-27e.

Maintain Buy

We like LT Foods for its diversified product range, leading position in Basmati across geographies. We expect the company to be well-placed to make the most of driving both domestic and international business with continuous expansion. Basis our valuation framework we value the stock at 18x FY27E EPS (10% cut to previous multiple 20x based on market conditions) that offers 29% upside with revised TP of INR459.

Earnings and valuation metrics

(YE Mar)	FY23	FY24	FY25E	FY26E	FY27E
Revenue (INR mn)	69,358	77,724	85,301	98,872	1,09,625
EBITDA (INR mn)	7,007	9,379	9,554	12,260	13,813
EBITDA margin (%)	10.1	12.1	11.2%	12.4%	12.6%
PAT (INR mn)	4,228	5,976	6,154	7,875	9,066
EPS (INR)	13.1	17.2	17.7	22.7	26.1
P/E (x)	28.6	20.6	20.2	15.7	13.7
P/B (x)	4.2	3.7	3.2	2.7	2.3
EV/EBITDA (x)	17.7	13.7	13.0	10.1	8.6
ROE (%)	14.6	17.9	15.6	16.9	16.5

Source: Company data, MACM Research

Exhibit 1. Consolidated – Quarterly Results

(YE Mar) INR mn	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Total Revenues	19,778	19,417	20,748	20,705	21,078	22,748
<i>% growth</i>	14.7%	9.2%	13.9%	16.4%	6.6%	17.2%
COGS	13,769	13,137	14,029	13,881	14,068	15,135
<i>% growth</i>	27.3%	7.6%	14.4%	17.2%	2.2%	15.2%
<i>as % of sales</i>	69.6%	67.7%	67.6%	67.0%	66.7%	66.5%
Gross Profit	6,008	6,280	6,719	6,824	7,010	7,614
<i>Gross Margin (%)</i>	30.4%	32.3%	32.4%	33.0%	33.3%	33.5%
Employee costs	1,075	1,081	1,049	1,147	1,230	1,251
<i>% growth</i>	23.7%	16.2%	11.1%	4.6%	14.4%	15.7%
<i>as % of sales</i>	5.4%	5.6%	5.1%	5.5%	5.8%	5.5%
Other expenses	2,529	2,813	3,219	3,268	3,487	3,865
<i>% growth</i>	-34.3%	-5.8%	5.8%	20.9%	37.9%	37.4%
<i>as % of sales</i>	12.8%	14.5%	15.5%	15.8%	16.5%	17.0%
Total Expense	17,373	17,031	18,297	18,296	18,785	20,250
EBITDA	2,405	2,386	2,451	2,409	2,293	2,498
<i>Margin %</i>	12.2%	12.3%	11.8%	11.6%	10.9%	11.0%
Depreciation	360	361	453	420	448	458
Interest	191	185	235	187	196	236
Other income/expense (net)	140	80	169	175	263	134
PBT	1,995	1,920	1,933	1,977	1,911	1,938
Tax	539	510	542	530	494	525
PAT before P&L from associates and JV	1,456	1,410	1,390	1,448	1,418	1,414
<i>% growth</i>	53.7%	52.8%	24.3%	17.6%	-2.6%	0.3%
<i>as % of sales</i>	7.4%	7.3%	6.7%	7.0%	6.7%	6.2%
P&L from associates and JV	117	117	112	106	88	40
PAT post P&L from associates and JV	1,573	1,526	1,502	1,553	1,506	1,454

Source: Company data, MACM Research

Exhibit 2. Segment highlights (YoY)

	Basmati & Other Specialty Segment	Organic Food and Ingredient Segment	Ready to Heat & Ready to Cook Segment
% share	87%	10%	2%
	Q3FY25	Q3FY25	Q3FY25
Revenue	19,980	2,400	430
Revenue growth	17%	27%	-15%* (normalised growth @12%)
Volume Growth	15%	-	-
Gross Margin	32.4%	42.6%	41.1%
EBITDA Margin	11.7%	11.8%	-9.8%

Source: Company data, MACM Research, Note: *Discontinuation of 'Daawat Sehat' impacted sales growth, direct sales from JV included

Exhibit 3. Trend in revenue

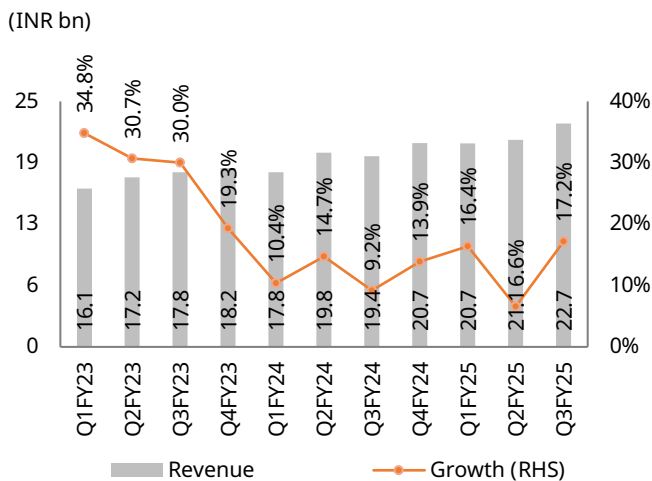


Exhibit 4. Change in Gross & EBITDA margin

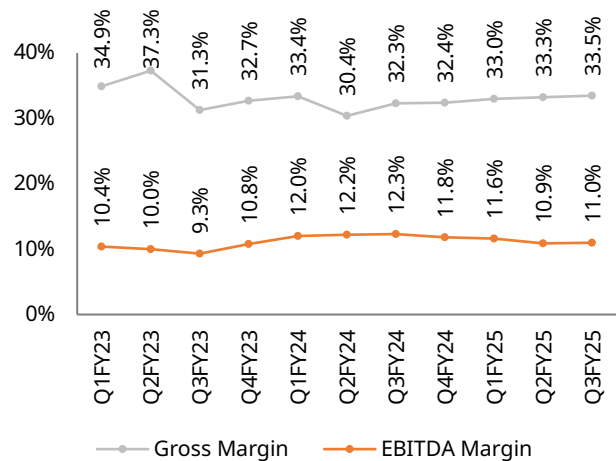


Exhibit 5. PAT trend

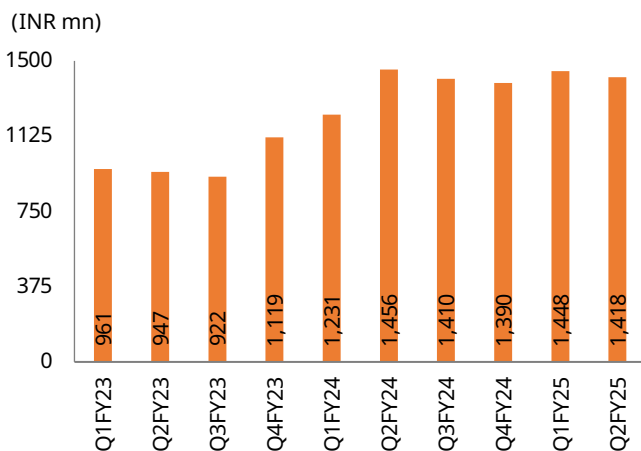
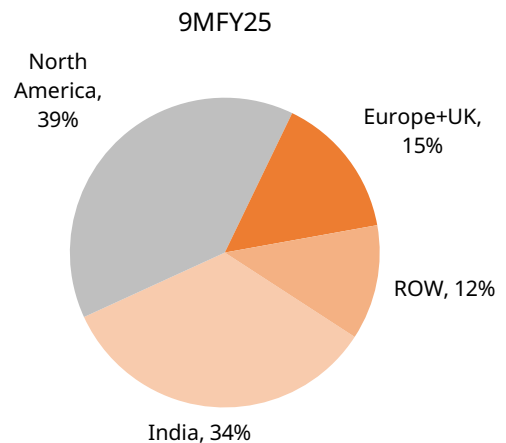


Exhibit 6. Geography wise % share of total revenue



Source: Company data, MACM Research

Exhibit 7. New Product Launch (India) – Jasmine Thai Rice

With evolving taste preferences, LT Foods' Jasmine Thai Rice is perfectly positioned to capture the growing demand for premium ingredients, catering to India's rising appetite for international flavours and culinary experiences!

The image displays three main components of the product launch campaign:

- Product Pack:** A purple and white bag of 'DAAWAT JASMINE Thai Rice' with 'GLOBAL GOURMET Thai Hom Mali' branding.
- Infographic:** A central graphic titled 'Why Choose Daawat Jasmine Thai Rice?' featuring icons for 'Product of Thailand', 'Naturally Fragrant', 'Gluten-Free', 'Thai Hom Mali', and 'Non-GMO certified'. It shows a bowl of rice with vegetables.
- Social Media:** A collage of five influencer posts showing various dishes prepared with the rice, such as 'Thai Jasmine Rice Lemon Grass Chicken Curry', and a person holding a bowl of rice.

Campaign with 25 Influencers generating +12 million views;

Launch of 1kg Regional Rice varieties across all the channels

This section highlights three regional rice varieties and their key selling points:

- Daawat Lachkari Wada Kolam Rice:**
 - 100% Authentic
 - Easy to Digest
 - Premium Kodum Variety
 - Ideal for Regional Recipes
- Daawat Sona Masoori Rice:**
 - Aromatic & Sweet Taste
 - 100% Authentic
 - Easy to Digest
 - Ideal for South Indian Dishes
- Daawat Gobindo Bhog Rice:**
 - 100% Authentic
 - Easy to Digest
 - 100% Aromatic

Source: Company data, MACM Research

Exhibit 8. Brand campaigns

Durga Puja: 1st of its kind RICE INSTALLATION of Goddess Durga in Kolkata



Royal® Diwali Campaign

Diwali Traditions: UGC & Behind the scenes
Celebration moments: Music, Activities, Decorations
Influencers & Partnerships

Coverages to engage and celebrate
 Recipes to inspire & share memorable meals
 Contents to engage & build followingship

Royal® Diwali campaign: High visibility campaign across media touchpoints drove visibility & engagement with our core audience

- Linear/OTT Media**
 Total Impressions: 1.8 Bn
 Reach: 57%
- YouTube ads**
 Total Impressions: 1.1 Bn
 Reach: 87%
- Social & Influencer Partnerships**
 Total Impressions: 1.1 Bn
 Reach: 87%
- TV Digital campaign**
 Total Impressions: 1.1 Bn
 Reach: 87%
- On ground activations**
 14 Festival Events
 Reach: 90%
- PR Campaign**
 Impressions: 100 Mln
 Placements: 1000
- YouTube/Finance**
 Impressions: 100 Mln
 Placements: 1000

Navratri: 360 campaign ~ On-Ground, On Air coverage, In-show integration & Radio



Digital Campaign featuring 3 Michelin Star Chefs: Gaggan Anand, Himanshu Saini and Atul Kochhar ~ (+3.2cr impressions and +4.5mn views)



Gourmet Journey: Daawat by Chef Gaggan Anand - Episode 1



Gourmet Journey: Daawat by Chef Himanshu Saini - Episode 2



Gourmet Journey: Daawat by Chef Atul Kochhar - Episode 3

Campaign ~ Pushpa 2



- Byte from Star Cast
- On-pack usage
- Outdoor / In-cinema integration
- Meet & Greet
- Contest

Source: Company data, MACM Research

Exhibit 9. Focused marketing initiatives across key geographies

USA


Launch of the new Royal® TVC: The tale of the bowl

Linear Media Performance

- 9.8 M
- Impressions

YouTube Performance

- 2M
- Impressions
- 400+
- Website conversions
- 1.3K+
- clicks
- 50%
- video completion rate





Social Media Performance

- 294k
- Impressions
- 300+
- Engagements
- 3K+
- Site visits
- 3.2%
- Engagement rate

*Industry standard engagement rate 0.72%

3.1Mn VIEWS THROUGH PAID MEDIA IN Q3

SUSTAIN FAMILIARITY LEVEL WITH BRAND POSITIONING

Line Item	Reach	Views	VTR	CVR	Line Item	Reach	Views	VTR	CVR
November	200k	1,000k	50%	0.5%	December	200k	1,000k	50%	0.5%

12.2Mn VIEWS THROUGH PAID MEDIA IN Q3

CONTINUE BUILDING BRAND POSITIONING AWARENESS



Line Item	Reach	Views	VTR	CVR
November	200k	1,000k	50%	0.5%

Exhibit 10. Brand Refresh and New Launches under 'Royal' in US

Relaunch of the Royal® website aligned to the new brand identity: Nov'24
<https://authenticroyal.com>



- Look & Feel to highlight 'Authenticity'
- Content coverage with some pack-shots & food shots
- Integration of 'Buy Now' to drive conversions
- Scaled up recipes to drive inspiration
- Highlighting new sustainability commitments
- No. of weekly users: 300k

Brand Refresh
Royal® 5lb, RTH Range



New product launches and brand refresh

New Innovation Launch
Royal® Biryani Kits, 2lb Organic, RTH Lemon Garlic & Herb, RTH Brown Basmati & Quinoa



Innovation & Renovation

Rollout of Royal® Biryani Kits



Make Restaurants Style Biryani at Home

Relaunch of Royal® Atta



Now Available at Costco

Brand Refresh (SRP + Pack Redesign)
Royal® 2lb White & Brown



Buyer Homes At Costco | Taste Quinoa | REAL SIMPLE

Source: Company data, MACM Research

Key Concall highlights for Q3FY25

Financial performance: Revenue grew by 17% on account of increased sales from all the segments. Gross margins saw an improvement of 125 bps from 32.6% to 33.9% due to decrease in input cost. EBITDA saw a marginal impact of -110bps (12.6% to 11.5%) on account of increased freight charges. PAT witnessed a marginal decline due to lower profits from JVs & Associates.

Basmati and other specialty rice segment: Revenue grew 17%, driven by strong demand in the US, Europe, and the Middle East, with 15% volume growth. India saw 8% growth in 9MFY25, adding 200+ towns and maintaining e-commerce leadership. North America revenue rose 17%, with Royal holding a 55% share, Golden Star leading Jasmine rice, and '817 Elephant' dominating in Canada. ROW revenue increased 16%, supported by growth in the Middle East and Far East.

Organic Segment: Q3FY25 revenue growth of 27% yoy driven by expanded distribution in Europe and the US. 9M YoY Revenue Growth of 36% was driven by i) Expanded market reach in the US and Europe, ii) increased sales across product segments – rice, grains, soya etc. Current Revenue: INR 1000 mn from the USA this year. EBITDA Margin: Current ~11% → Target 14%+ with growth at 10-12% CAGR. Expansion plans include both organic and inorganic growth.

Uganda Expansion: Manufacturing facility to mitigate potential impact from levy of antidumping duty on soymeal. Operations are stable and performing well.

Ready-to-Eat (RTE) and Ready-to-Cook (RTC): This segment posted 0.1% growth in 9MFY25, impacted by a 15% YoY decline in Q3 due to the discontinuation of 'Daawat Sehat.' Key highlights include +148% growth in Biryani Kits, +26% in RTH, and +60% in Kari Kari (including JV sales). The segment targets a 33-35% CAGR over the next five years, with a streamlined focus on high-demand, high-margin products and optimal production capacity utilization. The US RTE business (~INR 1,000 mn, 7% EBITDA) is growing at 26%, while India operations are expected to turn profitable by FY27, supported by a new facility.

Stake Acquisition: The company completed the acquisition of balance stake in NBFL (17.5%) on 31st December 2024. NBFL is now a 100% WoS of LT Foods.

Europe/UK business: Rice production capacity of 60,000 tonnes per annum; Targeted revenue £100 mn in the next 5 years; Partnered with 4 leading retailers in the UK with focused plans to scale up

Saudi Arabia business: Investment over 5 years estimated at SAR 185 mn; Expected revenue of SAR 435 mn during the same period; Incremental revenue of INR 230 mn generated in Saudi Arabia during the current period.

Guidance: The company targets an overall EBITDA of 14%+ in four years, with a 10-12% CAGR and annual organic segment revenue of INR 10,000+ mn by FY26. RTE/RTC is expected to break even at a revenue base of INR 4,000 mn by FY27. Freight costs are expected to partially normalize in FY25, with full benefits by FY26. Organic segment growth is projected at ~10% in FY26, while volume growth is expected at 12-13% for FY25 and 12% annually in FY26.

Freight cost: Logistics costs rose by 2.3% YoY and 0.5% QoQ, reaching 7.1%. The company expects freight rates to decrease by FY26, with benefits starting by Q2FY26. In Q3FY25, Europe saw cost reductions, but inventory delays hindered immediate impact. The US has yet to see significant reductions. A 1.2% logistics cost reduction is expected next year, from 7.2% to ~6%.

P&L from associates and JV: Profit has come down because of the impact of the higher the steamer freight from Thailand to West Coast. No decrease in price or increase in raw material cost was seen.

Golden Star JV: Freight costs negatively impacted profits from the US-based Golden Star JV, despite its 20% revenue growth and strong market position as the top-selling Jasmine rice brand in America.

Acquisitions: The company has taken 4% stake in Raghunath Agro Private Limited. Initially company had 96% holding, now it will be 100% subsidiary of LT Foods.

Margins: The company expects margin improvement starting Q2FY26, driven by lower raw material and freight costs. In FY25, Basmati Rice segment margins are 12.1%, with India at 12.3% and exports at 14.3%. Margins are expected to improve in FY26 due to softer freight costs and operational efficiencies.

Capex: Capex in FY26 to be in the range of INR1,500 mn- INR2,000 mn. Sales on the USA the facility will be up in the month of May'26. 9MFY25 capex incurred is INR 1,640 mn

International business: The US continues to lead growth, with the Middle East growing 37% YoY, albeit from a small base. The UK and European facility targets EUR 145 mn in FY26, while Saudi Arabia has a five-year revenue plan of QAR 435 mn and a target of 20,000 tons production by FY26. No cape in Saudi Arabia yet, with future investments focusing on convenience platforms and packaging. Geographical diversification is strong, with America leading in revenue, followed by India and Europe/UK.

Procurement Costs: Benefits from lower input costs are expected to materialize fully in Q2FY26 due to the aged inventory sales model. Minimal impact expected in Q4 FY25, with improvements gradually kicking in by Q1 FY26.

Domestic Business: Specialty rice & Basmati grew 8% YoY over nine months in India. Demand in the domestic market remains sluggish, while international markets are driving growth in specialty rice.

Volume and realization: In the past nine months, revenue sales reached 5,25,000 tonnes at an average realization of INR 103 per kg, with Q3 sales of 185,000 tonnes at INR 105 per kg. The average procurement rate for paddy has decreased by 10%-15% to INR 32 per kg. Revenue realizations: Domestic – INR 64/kg, Export – INR 144/kg.

Market Share: India Basmati Market Share: Current quarter: 28% (down from 30% YoY). Strategic decision to exit unprofitable price segments (~INR 50 price point). Premium segment market share has grown, aligning with a focus on profitability.

Working Capital: Working capital days stood at 227 (vs. 225 YoY), reflecting higher procurement during the Oct-Dec peak season. Inventory buildup for anticipated demand slightly increased days, but normalization is expected by March FY25, with stable efficiency maintained.

Other:

- Insurance Claim: Supreme Court has finalized a verdict. Funds are expected by March 10, 2025.
- Currency Impact: Rupee depreciation is favorable for exports, with no adverse impact anticipated.

Valuation

We like LT Foods for its diversified product range, leading position in Basmati across geographies. We expect the company to be well-placed to make the most of driving both domestic and international business with continuous expansion. Basis our valuation framework we value the stock at 18x FY27E EPS (20% cut to previous multiple 20x based on market conditions) that offers 29% upside with revised TP of INR459.

Key risks & concerns

- Increase in competition from unorganized players would impact overall growth prospects of the company.
- Basmati rice is an extremely volatile commodity. Hence, any unfavorable change in rice prices could impact the realisation.
- Change in currency could have an adverse impact on the company's profitability.

Exhibit 11. Change in estimates

(INR mn)	Old estimates			Revised Estimates			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	82,789	96,175	1,06,679	85,301	98,872	1,09,625	3%	3%	3%
EBITDA	9,852	11,493	13,015	9,554	12,260	13,813	-3%	7%	6%
PAT	6,031	7,305	8,500	6,154	7,875	9,066	2%	8%	7%
EPS (INR)	17.4	21.0	24.5	17.7	22.7	26.1	2%	8%	7%

Source: Company data, MACM Research

Financials – LT Foods (Consolidated)

Income statement (summarized)

(INR mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	69,358	77,724	85,301	98,872	1,09,625
yoy growth	27.8%	12.1%	9.7%	15.9%	10.9%
Cost of goods sold	45,775	52,781	56,981	65,948	72,901
Gross profit	23,583	24,943	28,320	32,925	36,724
Employee expenses	3,596	4,301	4,862	5,735	6,358
Other expenses	12,980	11,263	13,904	14,930	16,553
EBITDA	7,007	9,379	9,554	12,260	13,813
yoy growth	17.5%	33.8%	1.9%	28.3%	12.7%
Depreciation	1,269	1,529	1,689	1,764	1,969
Interest expenses	821	830	854	689	524
Other income	430	496	682	692	767
PBT	5,347	7,517	7,693	10,500	12,088
Income tax	1,398	2,029	1,923	2,625	3,022
PAT	4,228	5,976	6,154	7,875	9,066
Gross margin (%)	34.0%	32.1%	33.2%	33.3%	33.5%
EBITDA margin (%)	10.1%	12.1%	11.2%	12.4%	12.6%
Net margin (%)	5.8%	7.7%	7.2%	8.0%	8.3%

Balance sheet (summarized)

(INR mn)	FY23	FY24	FY25E	FY26E	FY27E
Current assets	39,481	43,945	53,409	57,150	65,255
Cash & equivalents	322	496	7,998	6,682	9,484
AR & other receivables	6,744	6,758	7,011	8,127	9,010
Inventory	30,724	34,981	36,691	40,633	45,051
Other current assets	1,692	1,709	1,709	1,709	1,709
Non-current assets	13,724	16,495	17,700	18,604	18,876
Fixed Assets	12,395	14,418	15,623	16,526	16,799
Investments	1,218	1,697	1,697	1,697	1,697
Other Long term Asset	111	381	381	381	381
Total Assets	53,206	60,440	71,493	76,138	84,516
Current liabilities	20,111	21,158	26,549	23,944	23,976
AP & other payables	10,928	12,300	15,191	14,086	15,618
Other current liabilities	8,007	6,393	8,893	7,393	5,893
Non-current liabilities	4,991	4,858	4,858	4,858	4,858
Long-term financial liabilities	2,609	105	105	105	105
Other non-current liabilities	2,383	4,753	4,753	4,753	4,753
Total liabilities	25,236	26,174	31,564	28,960	28,991
Shareholders' equity	27,970	34,267	39,929	47,178	55,524
Equity share capital	347	347	347	347	347
Reserves and surplus	27,223	33,369	38,986	46,175	54,450
Minority Interest	400	551	595	656	726
Total liabilities and Equity	53,206	60,440	71,493	76,138	84,516

Cash flow statement (summarized)

(INR mn)	FY23	FY24	FY25E	FY26E	FY27E
Operating cash flow					
PBT	5,626	8,005	7,693	10,500	12,088
Other Non-Cash items	1,641	1,891	2,588	2,513	2,563
Change in NWC	-3,390	-805	928	-6,161	-3,771
Cash flow from Operating Activities	2,584	7,569	9,286	4,227	7,858
	679	4,444	5,622	-228	3,496
Cashflow from Investing					
Capex	-1,438	-2,011	-2,894	-2,667	-2,241
Others	10	-4	0	0	0
Net Cashflow from Investing	-3,946	-2,015	-2,894	-2,667	-2,241
Cash flow from financing					
Chg. in financial liabilities	-1,853	-4,465	1,646	-2,189	-2,024
Chg. in equity	3,664	-347	-536	-686	-790
Other	-448	-567	0	0	0
Chg. in cash	1	175	7,502	-1,316	2,802

Key valuation metrics/ratios

	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	28.6	20.6	20.2	15.7	13.7
P/B (x)	4.2	3.7	3.2	2.7	2.3
EV/EBITDA (x)	17.7	13.7	13.0	10.1	8.6
EV / Sales (x)	1.8	1.7	1.5	1.2	1.1
Adj EPS (W)	13.1	17.2	17.7	22.7	26.1
BPS (W)	85.6	97.1	113.3	134.0	157.8
Inventory Turnover (days)	143	154	157	150	150
Receivables (days)	34	32	30	30	30
Payables (days)	47	55	65	52	52
ROE (%)	14.6	17.9	15.6	16.9	16.5
RoCE (%)	17.0	20.7	18.3	21.0	21.1
Debt-to-equity ratio (%)	34.0	15.6	19.7	13.5	8.7

Source: Company data, MACM Research

Income statement (summarized)

(USD mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	826	925	1,015	1,177	1,305
yoy growth	21.4%	12.1%	9.7%	15.9%	10.9%
Cost of goods sold	545	628	678	785	868
Gross profit	281	297	337	392	437
Employee expenses	43	51	58	68	76
Other expenses	155	134	166	178	197
EBITDA	83	112	114	146	164
yoy growth	17.5%	33.8%	1.9%	28.3%	12.7%
Depreciation	15	18	20	21	23
Interest expenses	10	10	10	8	6
Other income	5	6	8	8	9
PBT	64	89	92	125	144
Income tax	17	24	23	31	36
PAT	50	71	73	94	108
Gross margin (%)	34.0%	32.1%	33.2%	33.3%	33.5%
EBITDA margin (%)	10.1%	12.1%	11.2%	12.4%	12.6%
Net margin (%)	6.1%	7.7%	7.2%	8.0%	8.3%

Balance sheet (summarized)

(USD mn)	FY23	FY24	FY25E	FY26E	FY27E
Current assets	470	523	636	680	777
Cash & equivalents	4	6	95	80	113
AR & other receivables	80	80	83	97	107
Inventory	366	416	437	484	536
Other current assets	20	20	20	20	20
Non-current assets	163	196	211	221	225
Net Block	148	172	186	197	200
Investments	15	20	20	20	20
Other Long term Asset	1	5	5	5	5
Total Assets	633	720	851	906	1,006
Current liabilities	239	252	316	285	285
AP & other payables	130	146	181	168	186
Other current liabilities	95	76	106	88	70
Non-current liabilities	59	58	58	58	58
Long-term financial liabilities	31	1	1	1	1
Other non-current liabilities	28	57	57	57	57
Total liabilities	300	312	376	345	345
Shareholders' equity	333	408	475	562	661
Equity share capital	4	4	4	4	4
Reserves and surplus	324	397	464	550	648
Total liabilities and Equity	633	720	851	906	1,006

Cash flow statement (summarized)

(USD mn)	FY23	FY24	FY25E	FY26E	FY27E
Operating cash flow					
PBT	67	95	92	125	144
Other Non-Cash items	20	23	31	30	31
Change in NWC	-40	-10	11	-73	-45
Cash flow from Operating Activities	31	90	111	50	94
Free Cashflow	8	53	67	-3	42
Cashflow from Investing Activities					
Capex	-17	-24	-34	-32	-27
Others	0	-0	0	0	0
Net Cashflow from Investing Activities	-47	-24	-34	-32	-27
Cash flow from financing activities					
Chg. in financial liabilities	-22	-53	20	-26	-24
Chg. in equity	44	-4	-6	-8	-9
Other	-5	-7	0	0	0
Chg. in cash	0	2	89	-16	33

Source: Company data, MACM Research, *1 USD = 84 INR

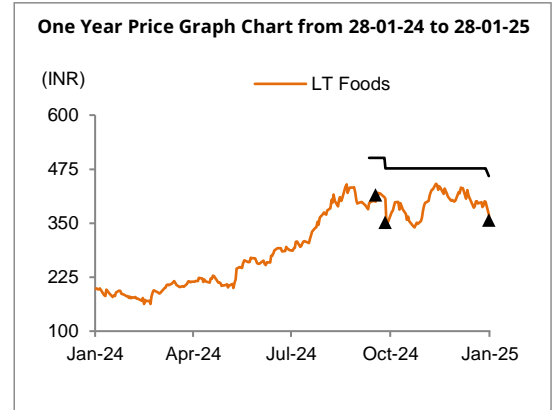
Appendix 1

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Two-year rating and TP history

Company	Date	Rating	TP (INR)
LT Foods - Initiating Coverage	16/10/24	Buy	501
LT Foods – Result Update	24/10/24	Buy	477
LT Foods – Result Update	28/01/25	Buy	459



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Buy	15% or greater
Add	5% to <15%
Hold	-5% to <5%
Sell	Below -5%

Industry ratings

Overweight	Expected to outperform the market over 12 months
Neutral	Expected to perform in line with the market over 12 months
Underweight	Expected to underperform the market over 12 months

Rating and TP history: Share price (—), TP (—), Not Rated (■), Buy (▲), Add (■), Hold (●), Sell (◆)

* The target price was determined by the research analyst through valuation methods discussed in this report, in part based on the analyst’s estimate of future earnings.

* The achievement of the target price may be impeded by risks related to the subject securities and companies, as well as general market and economic conditions

	Buy	Add	Hold	Sell
Ratings distribution	20.00%	35.00%	30.00%	15.00%
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