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LT Foods Limited

Nurturing Goodness

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# Investor Presentation

## Q1 & FY25

July 2024

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# Safe Harbour

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# LT Foods at a Glance

LT Foods is a **Global Consumer Food Company** which deals in **Basmati & Other Specialty Rice, Organic Food & Ingredient** business and **Ready to eat/Ready to cook** segment

## 1 Sustainable Growth

Our revenue CAGR in the last **18 years is 18%** and **PAT CAGR is 21%**.

## 2 Power Brands

Powerful brands like **Daawat (30%+ Market Share)**, **Royal (50%+ Market Share)**, Golden Star, 817 Elephant, Devaaya

## 3 Global Footprint

Presence in **80+ countries** with well entrenched distribution network.

## 4 Consistent return to shareholders

Has Delivered consistent returns to shareholders.

## 5 Excellence in Operations

Has **state of the art manufacturing facilities**, not only in India but in other parts of the world as well thus enabling us to mitigate geography based risks.

## 6 Investment in Innovation

Keeping pace with consumer needs and **launching products to leverage brand equity & strong infrastructure**

**Rs. 7,822 Cr**  
FY24 Revenue  
**17%**  
4-year CAGR

**Rs. 2,544 Cr**  
FY24 Gross Profit  
**33% Gross Margin**  
**23%**  
4-year CAGR

**Rs. 597 Cr**  
FY24 Net Profit  
**8% Profit Margin**  
**32%**  
4-year CAGR

**Rs. 8,917 Cr**  
Market Cap as on  
30<sup>th</sup> June 2024

### We are LT Foods



One of the most loved and consumed brands across globe



#1 basmati rice brand in North America



Leading organic ingredients brand in India



Leading jasmine rice brand



Mid range basmati rice brand in middle east



Staples brand in India



#1 basmati rice brand in Canada



Handcrafted rice snacks



Renowned economy rice brand in basmati rice



Organic food brand in Europe



# We are present across globe and still expanding to newer categories

**50+%**  
Market share USA

**30+%**  
Market share India

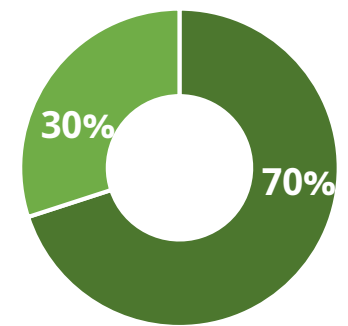
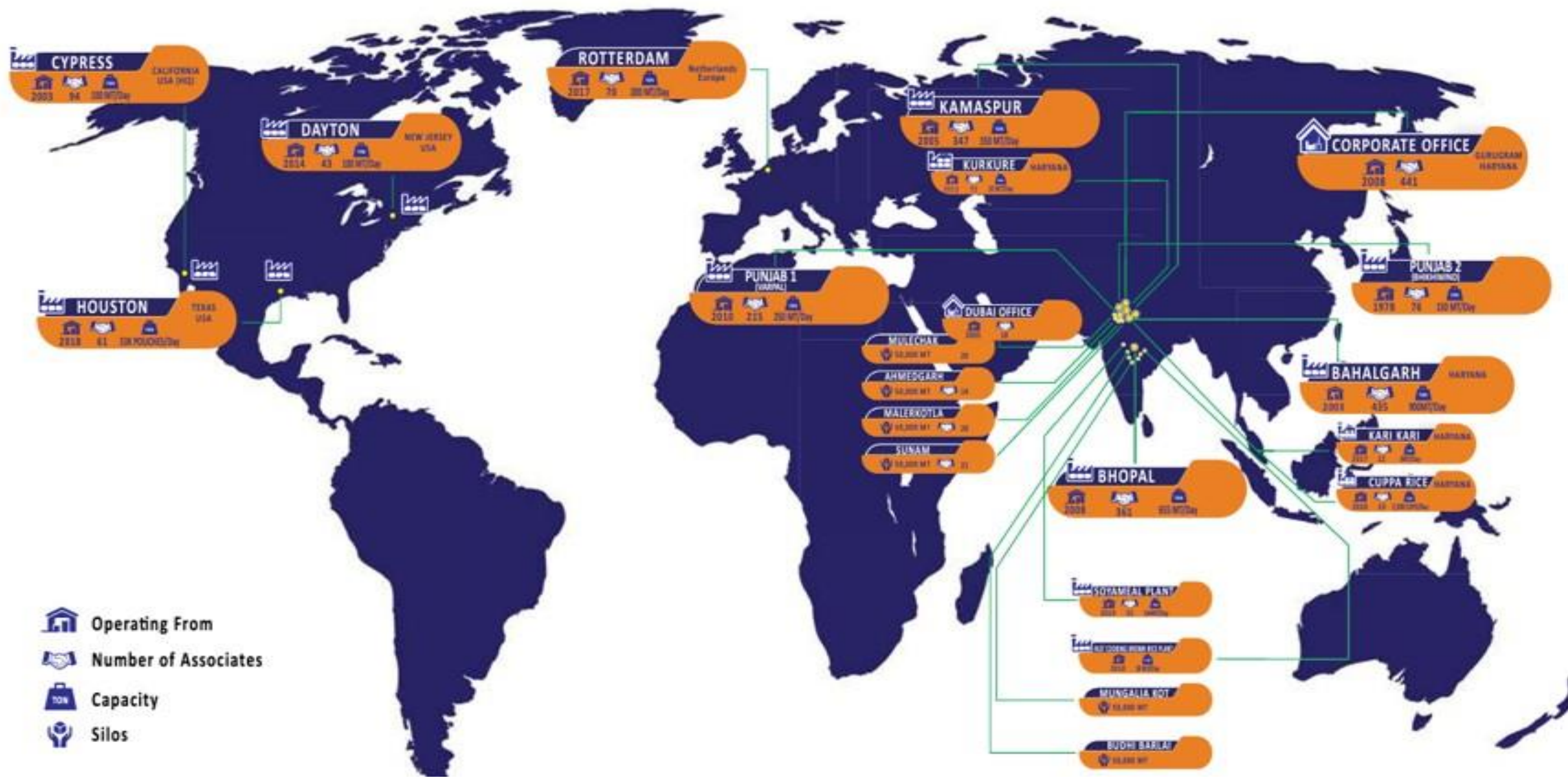
**30+%**  
Market share Northern Europe

**25+%**  
Market share Australia

**11+%**  
Market share New Zealand

**35+%**  
Market share Indonesia

● India ● International  
Global procurement



**Global manufacturing excellence**

- Plants across globe:
- India
  - Rotterdam
  - Houston, USA

**Global Distribution**

**1,400+ Distributors**

AC Nielsen, India export data



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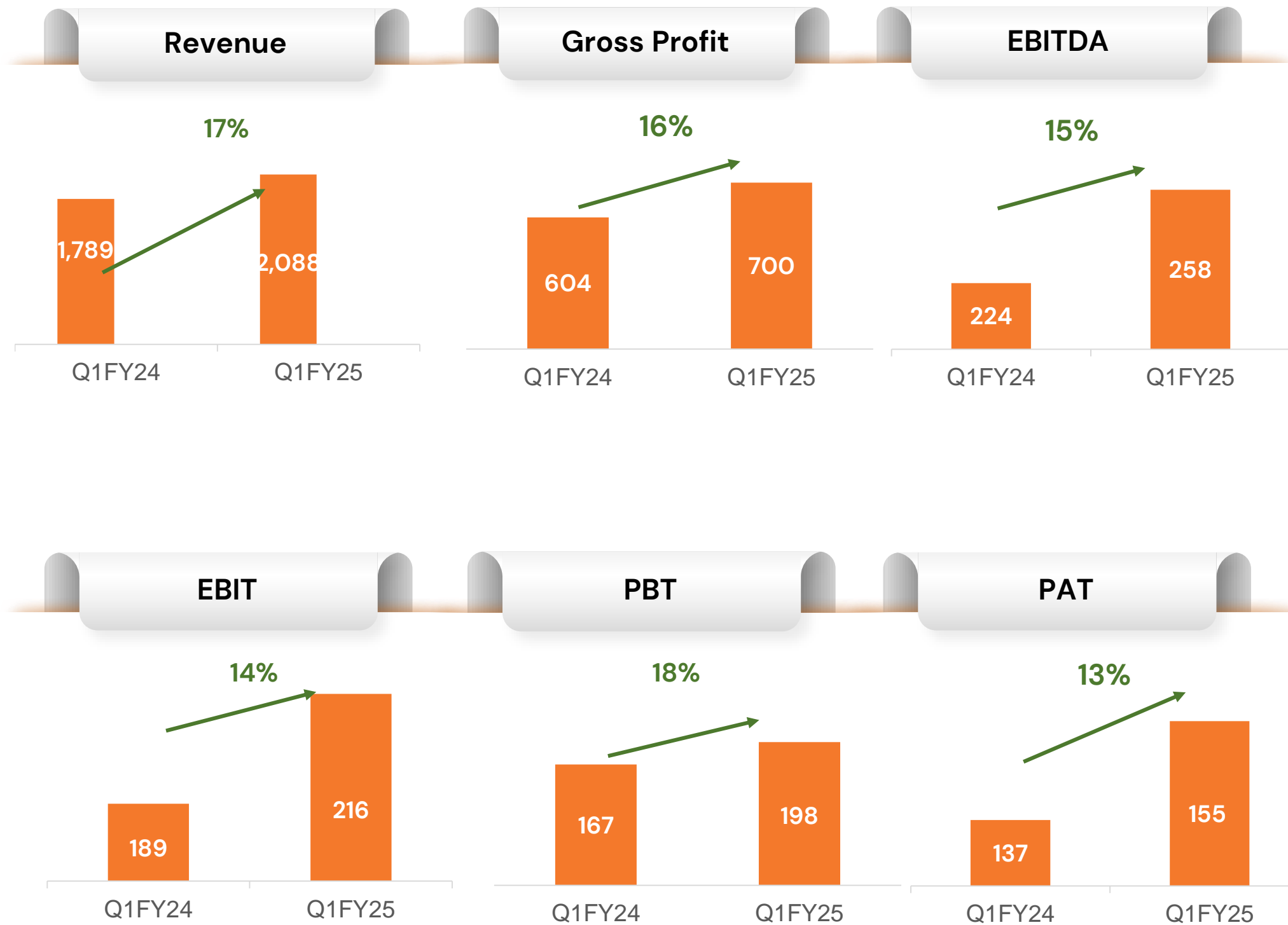
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# Results Highlights

Q1 FY25



# Q1 FY25 Financial Highlights



## Performance Commentary

### Revenue up 17%

Revenue up 17% yoy aided by accelerated brand investments and scaling of distribution in Basmati & Other Specialty Rice segment with growth in organic and RTH/RTC segment

### 33.5% Gross profit margin

Gross Profit margin decreased by 30 bps (from 33.8% to 33.5%) on account of increase in input cost.

### EBITDA up by 15%

EBITDA up by 15%, Margins decreased slightly by 20 bps (from 12.6% to 12.4%)

### PAT up by 13%

PAT up by 14% yoy at ₹168 Crore

All Figures in ₹ Crore unless specified

# Improving Working Capital Cycle and KPIs

	Q1FY25	Q1FY24
Inventory days	218	230
Trade payable days	50	51
Trade receivable days	34	31
Working capital days	202	210
Return on capital employed	20.8%	19.4%
Return on equity	17.8%	19.2%
Interest Coverage ratio	11.6	8.6



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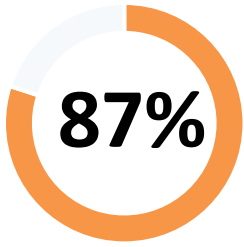

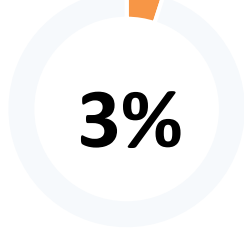
# Quarterly Segment updates

Q1 FY25





# Q1FY25 Segment Highlights (YoY)

	Basmati & Other Specialty Segment	Organic Food and Ingredient Segment	Ready to Heat & Ready to Cook Segment
<b>% Share</b>	 <b>87%</b>	 <b>10%</b>	 <b>3%</b>
	<b>Q1FY25</b>	<b>Q1FY25</b>	<b>Q1FY25</b>
<b>Revenue</b>	1,811	222	56
<b>Revenue growth%</b>	14.4%	33.6%	37.2%
<b>Volume Growth</b>	16.1%	34.2%	37.2%
<b>Gross Margin</b>	32.4%	41.8%	36.9%
<b>EBITDA Margin</b>	12.9%	11.7%	-3.4%

All Figures in ₹ Crore unless specified



# Basmati and Specialty rice: Expanding Horizons While Maintaining Market Leadership



North America

**21%**  
Revenue growth

**39%**  
% of total revenue

- The Basmati brand 'Royal' has grown by 21%, outpacing the industry growth.
- Golden star, our jasmine rice brand currently has 15% market share in the Jasmine rice segment in US.

Our Brands



India

**14%**  
Revenue growth

**31%**  
% of total revenue

- Build on 'Daawat' Brand awareness & penetration and Omni-channel Marketing to strengthen brand distribution across key channels
- Penetrating to Tier2 & Tier3 towns, added **80 new towns** in Q1
- In Speciality segment- Biryani segment growing at **1.6x of overall portfolio**

Our Brands



Total revenue is total basmati and speciality rice revenue



# Basmati and Specialty rice: Expanding Horizons While Maintaining Market Leadership



Europe

**11%**  
Revenue growth

**17%**  
% of total revenue

- We have 30% market share in Northern Europe.
- The Company expanded its footprint in Europe by setting up a manufacturing facility in the Harlow, Essex UK on long-term lease arrangement for rice processing, packing and intermediate storage.
- Company focused on growth in key accounts and brands and rationalised volumes in the non-strategic / trading business.

Our Brands



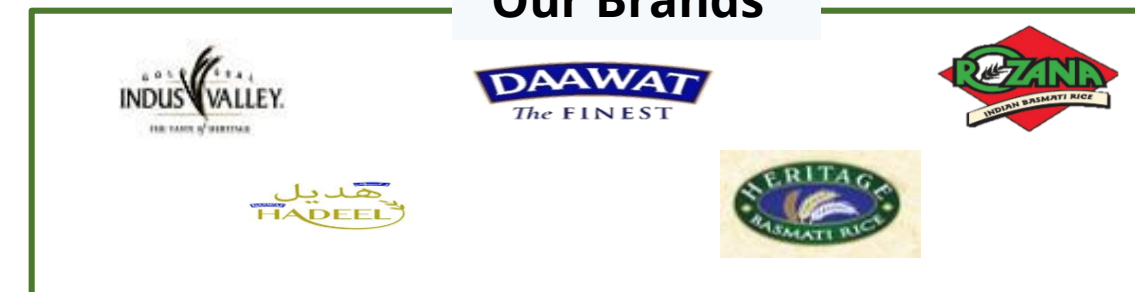
Rest of the world

**20%**  
Revenue growth

**13%**  
% of total revenue

- Appointed a distributor for Saudi Arabia market, largest market of basmati rice in the world
- We have entered Madagascar market.
- Achieved ever highest Biryani sales in Q1 with a 35% yoy growth in Far east
- Market leaders in Australia, Singapore with **200%+ growth** in Indonesia and Maldives
- Witnessed high growth in demand with **100%+ yoy rise** in our premium product in Fareast

Our Brands





# Revamped Organic Food Strategy: Embracing Risk Diversification

## 1 Uganda expansion

Setting up a manufacturing facility in Uganda to mitigate the potential impact from levy of anti-dumping duty on the soymeal.

## 2 Procurement expansion

Import products from Turkey, Egypt, Uganda, South America which includes Brazil, Costa Rica, Cambodia, Thailand.

## 3 Revenue expansion

Introduction of additional product offerings and the exploration of new geographical markets.



# Our RTC/RTH has Grow almost 2x vs LY

Growth propelled by deeper consumer reach and expanded presence in emerging channels



↑ 276%



↑ 52%



↑ 67%

Set to accelerate growth further with strong business operating model build with focused efforts on foundational work product, positioning/ placement and agile supply chain.

Growth is year on year

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# Quarterly Initiatives

Q1 FY25



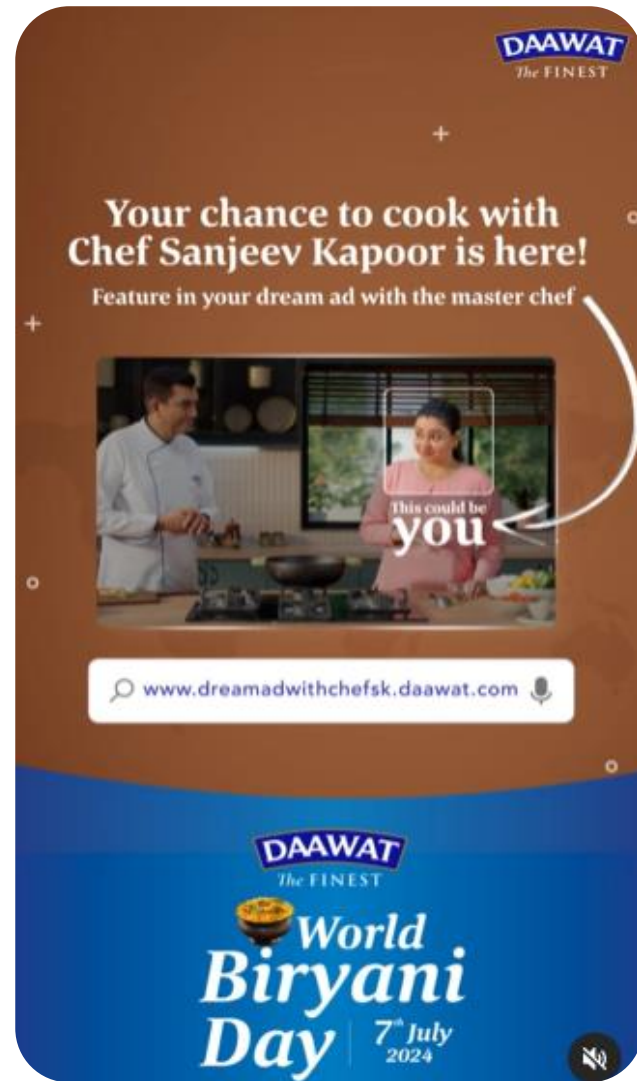


# Pioneers of culinary celebrations : Proud creators of first ever world biryani day

*Celebrated World Biryani Day in India, UK, Middle East and Australia*



**Brands align with Daawat**



**Innovative Tech-AI enabled campaign**



**Electrifying music concert**



**Star Power**



**Community building**



# New product launches and brand refresh

## New Innovation Launch

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



## Brand Refresh

Royal® 5lb, RTH Range





# Strategic Expansion in Europe: New UK Manufacturing Hub Established in Harlow, Essex

- LT Foods is set to **revolutionize the rice market in the U.K.** and meet the growing demand for authentic and premium rice varieties.
- The company is expecting annual revenue to the tune of **£ 40 million** initially, with a targeted **£ 100 million** within the next 5 years.
- Partnered with **4 leading retailers** in the U.K. with plans to scale this up.
- Production capacity of **60,000 tonnes** of rice per annum,





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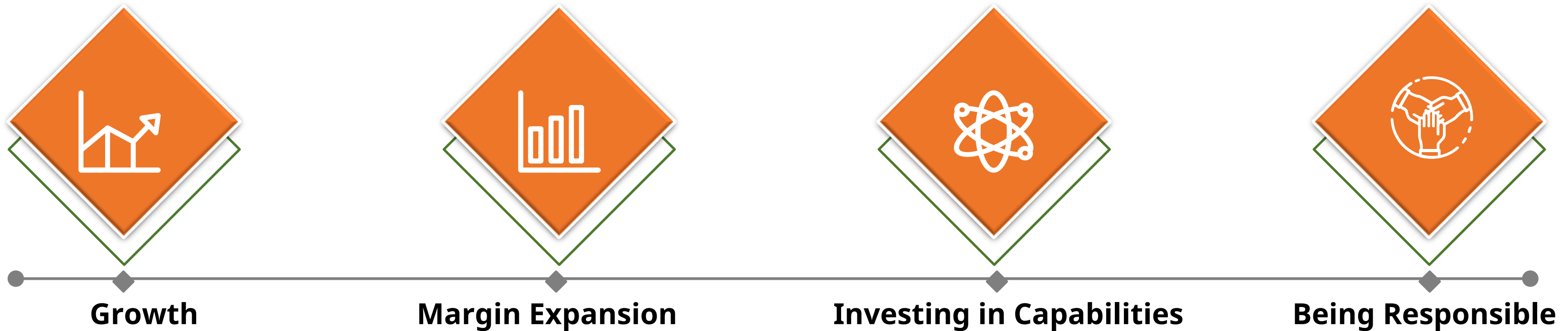
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# Strategy and Outlook





# Building capabilities to continue its journey as a high growth global FMCG business



- Solidify our core business
- Innovating and expanding our product portfolio, by introducing new products to increase appeal across all consumer segments.
- Entering in new geographies and widening distribution channel.
- Explore inorganic opportunities

- Building economies of scale and unlock synergies
- Adding efficiencies across the value chain
- Driving premiumisation








- Digital transformation

- Embedding ESG in the culture of the organisation

# Huge opportunity exists in multiple markets for Basmati rice

*FMCG market in India is ~USD 105 Bn, expected to grow at avg. 11% CAGR, driven by 1) increased per capita consumption, 2) increased household penetration and fuelled by improving retail penetration*

## Huge headroom for growth in Basmati rice across globe

					<b>Factors driving growth</b>	
<b>Our market share</b>	<b>50%+</b>	<b>30%+</b>	<b>2.1%+*</b>	<b>20%+</b>		<b>Basmati rice and speciality rice as category is growing and movement of consumers from lower price point to higher price point in India</b>
<b>Basmati rice market size(Crs)</b>	<b>6000+</b>	<b>24,000+</b>	<b>30,000+</b>	<b>6,000+</b>		<b>Immigration of south Asian population</b>
<b>Expected Industry CAGR</b>	<b>10-12%</b>	<b>7-9%</b>	<b>3-4%</b>	<b>4-6%</b>		<b>Growth of Ethnic cuisine across globe and biryani getting popular</b>



Enormous potential lies in our RTE/RTC business which has grown 6x since FY2020

Convenience Food market to reach \$850+ Bn by FY2028

We are addressing long term consumer trends

Increased convenience and instant gratification

Cross cultural/Global taste and experience

Discovery and exploration

Our RTE/RTC food expected to grow at a CAGR of 33-35% for next 5 years



# Marketing initiatives to further strengthen brand recall in consumer mind-space and gain more market share

## Strengthening Brand Equity

Improve market share in India

**Increase consumer acquisition**

**Conversational**



**Contextual**



**Conventional**



## Consumer Engagement for trials

Increase revenue share of NPD to 10% from 2% currently

Extend into adjacencies

Further strengthen consumer penetration

**Tapping emergent and big opportunities**

**Super Foods**



**Regional Speciality Rice**



**Global Speciality**

## Portfolio Expansion and NPDs

**Mass Media+ Digital + Activations**

**Food expressions & recipes**



**Festive packs**



**Consumer Promotions**



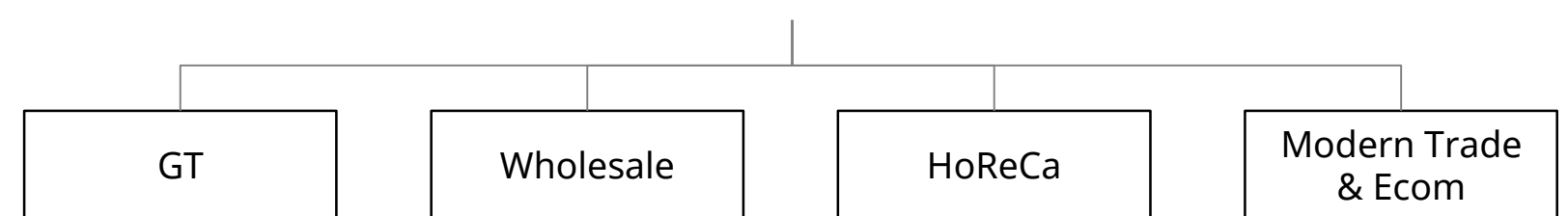
**Activations**



## Digital/Data Enabled Distribution across Verticals

- War Room**  
"Plan Central-Enable Local"
- Auto Replenishment**  
For efficient servicing
- Resolving Bottlenecks**  
At point of sale
- Virtual Calling**  
To reduce costs
- Credit Financing to distributors**  
To reduce costs

**Vertical-wise Sales force**





## Past Acquisitions



**2007**

Acquired Royal brand in Americas to penetrate in the US markets



**2016**

Acquired **817 Elephant** brand to strengthen its presence in Canada.

Acquired Indus valley and Rozana brand from HUL to strengthen position in middle east



**2021**

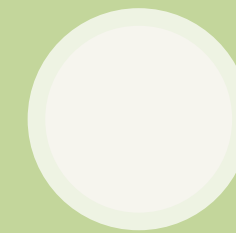
Acquired 30% stake in Netherlands-based organic speciality food firm **Leev.nu** to capitalize on the distribution strength of Leev and to improve the share of India's organic in EU



**2022**

Acquired 51% stake in **Golden Star Trading Inc.** to strengthen market share in the branded Jasmine rice market.

## Acquisition Attributes



Strengthen presence in existing and newer geographies



Solidify presence in newer segments in existing geographies



Leverage distribution network of the target entity to supply existing products

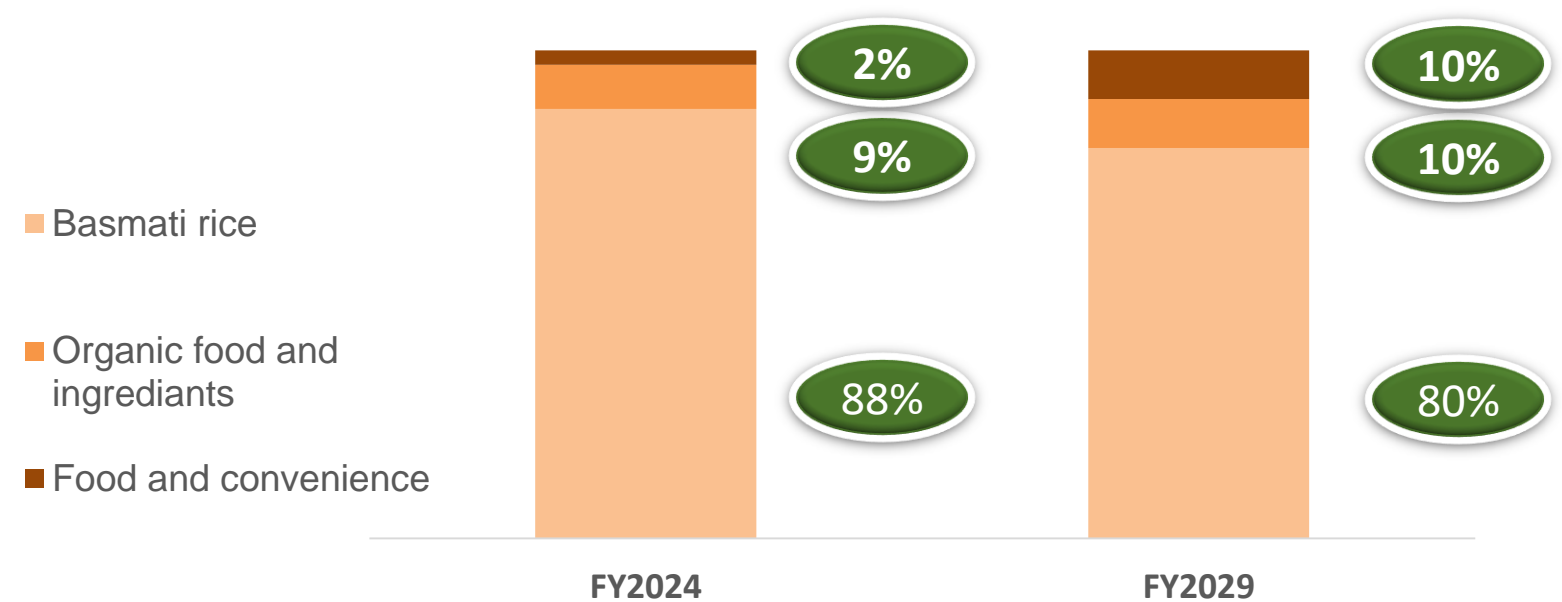
# Strong levers for margin expansion with a clear path in place for next phase of growth

Compelling growth opportunity both in India and Internationally, expected to achieve EBITDA of 14-15% in next 4 years

## Margin Expansion Levers

### Expanding product portfolio and premiumisation

Expanding product portfolio with focus on high margin new and premium products  
 LT foods to explore multiple adjacent categories for expansion to expand share of consumer wallet



### Deepening Distribution and entering new geographies

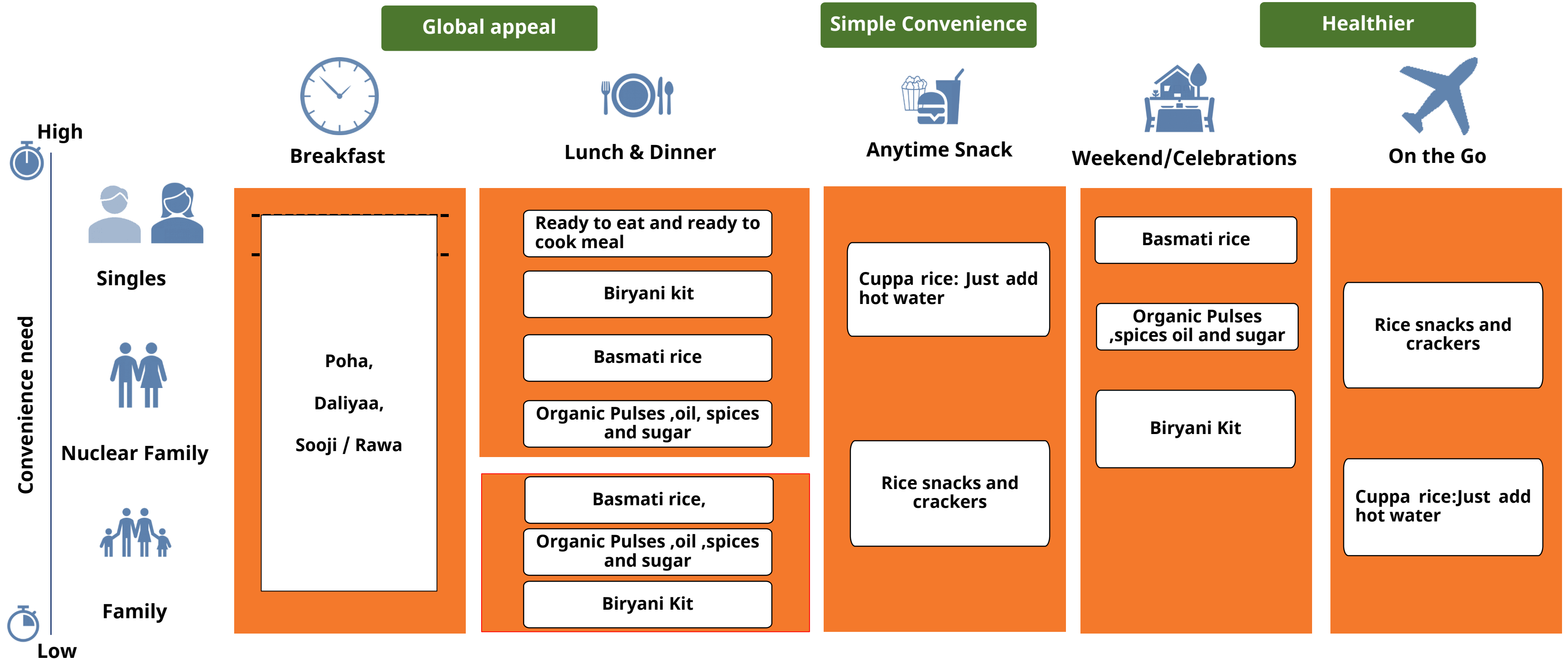
Robust Distribution network to drive consumer reach & penetration and to strengthen our franchise  
 Our strategic restructure based on "Theory of constraints" is geared towards achieving sustainable growth



Strong focus on modern trade and e-commerce partners



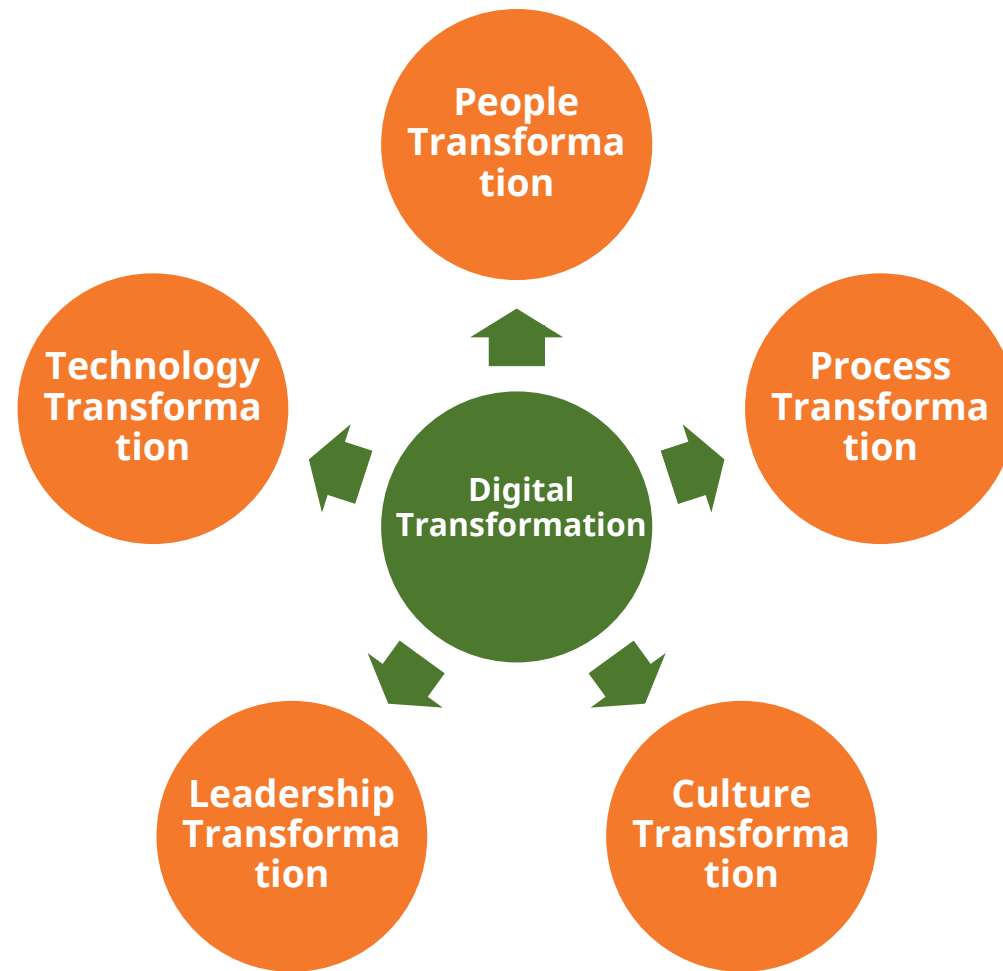
# We are building Portfolio to meet diverse needs for all meal occasions



# Investing in capabilities: Digital transformation

## Build Smart & Intelligent Enterprise which can Drive 1.5X ~ 2X Business VALUE

### LT Foods - Key Objective of Digitalization



- Enhance Stakeholder Experience
- Create more value to Customer
- Optimize & Rationalize Cost
- Enhance Productivity
- Bring more Transparency
- Reduce Risk
- Enable compliances
- More Controls & Agility
- Enhance Safety
- Enable fast decision Making
- Enable ESG
- Strong Brand Value
- Better Market position



**Enable Revenue Growth**



**Improved EBITA**



**Strong Controls**



**Enable Sustainability**



**Stronger Balance Sheet**

**Expected Business Benefit- Procurement digitization**

Improvement productivity

Improvements in TAT

Fast decision making

Cost optimization & Saving

**Expected Benefit- Supply Chain**

Demand forecast accuracy

OTIF Improvement

Inventory & SLOB

Supply Chain Cost



# Capital Allocation Plan

**We aim to balance the objectives of ploughing back earnings to support sustained growth 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 Food and convenience platform. In addition to the above, the same will be utilized for strengthening the brands, widening distribution network and increasing brand penetration across all consumer segments across geographies.

To continue investing in automation/up-gradation based on increasing consumer base and to strengthen the supply chain network.

The investments to be in line with the company return on capital employed targets.

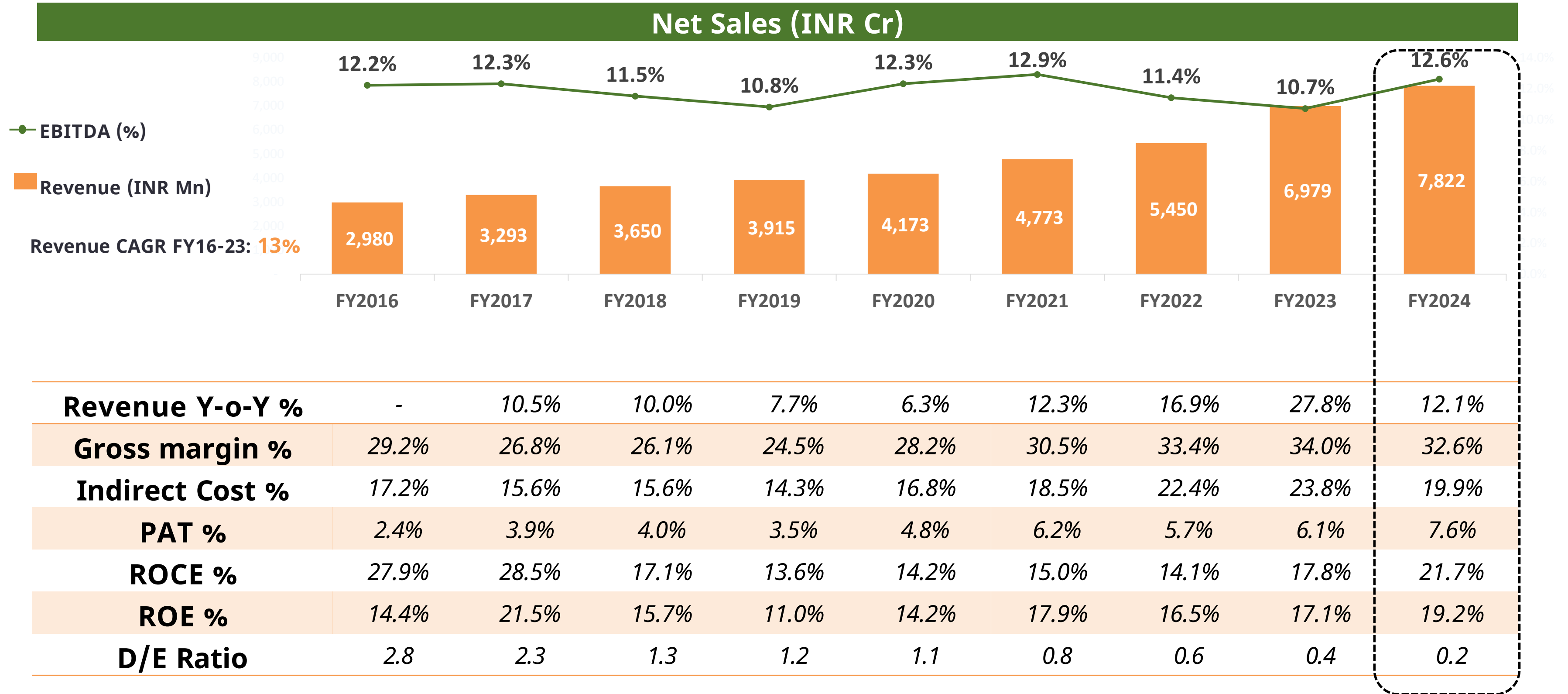


## Dividend/Buyback

The Company strives to maintain a steady stream of distribution to reward its shareholders. Effective 20-21, in the medium term the Pay-out ratio is expected to be in the range of 10%-20% of consolidated profits

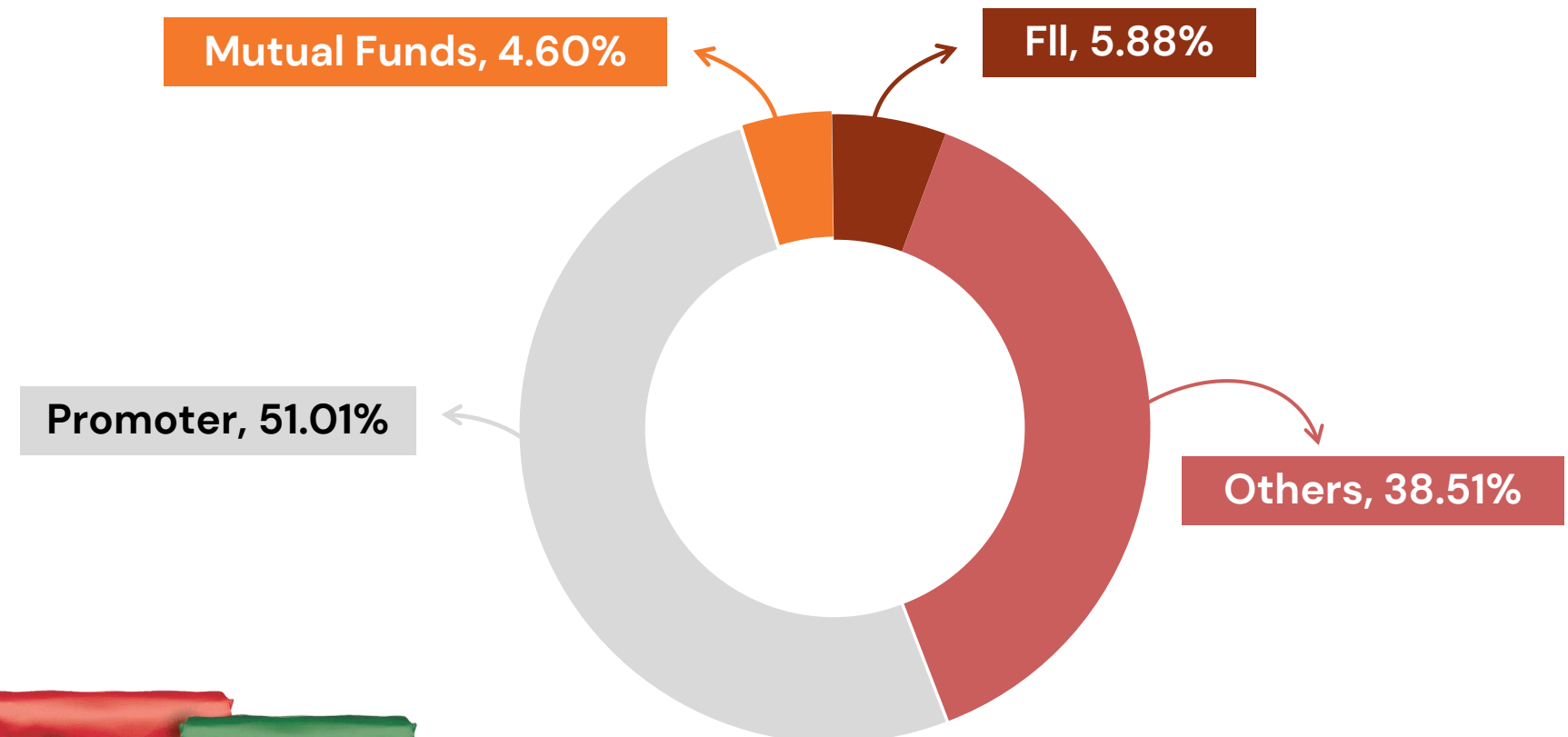
# LT Foods: Journey so far

Our share of branded business has increased from **69.5% in FY2019 to 78% in FY2024.**





# Shareholding Information



## Shareholder Information as on June 30, 2024

BSE Ticker	532783
NSE Symbol	DAAWAT
Market Cap (₹ Cr)*	8,917
% Free- float	40.0%
Free Float Market Cap (₹Cr)	3,567
Shares Outstanding (Cr)	34.7
Industry	Consumer Food

**Promoter shares are unencumbered**

\* Share Price as on 28<sup>th</sup> June'24 (Closing Price: Rs 256.80)





# Ms. Monika Chawla Jaggia

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