



LT Foods Ltd.

DAAWAT
THE FINEST BASMATI

#2 in India



#1 in US



Investor Presentation – February 2016

Safe Harbor

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Evolution of LT Foods

DAAWAT
THE FINEST BASMATI



Evolved from a Rice Trader to...



1985-1995

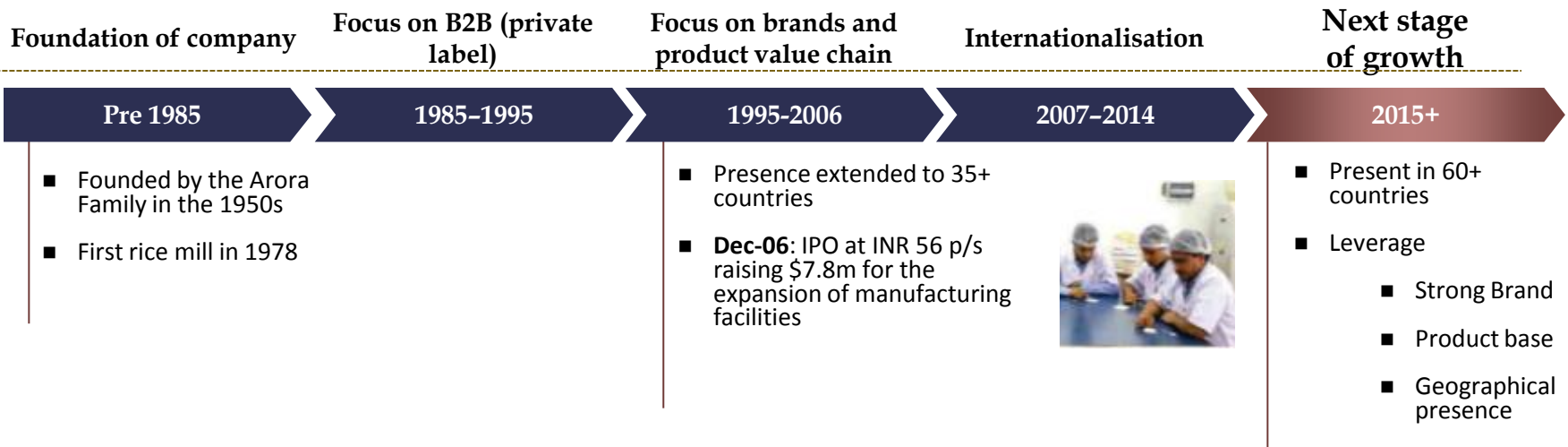
- Incorporation of LT Overseas Ltd
- Launched 'Daawat' brand in 1985
- 'Daawat' brand still in developing stages – launched the brand internationally in c. 20 countries

2007-2010

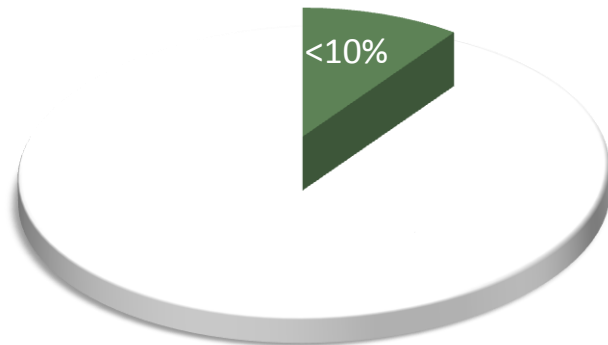
- Acquired 'Royal' brand in US
- Rabo PE invested equity capital of c.\$10m

2011-14

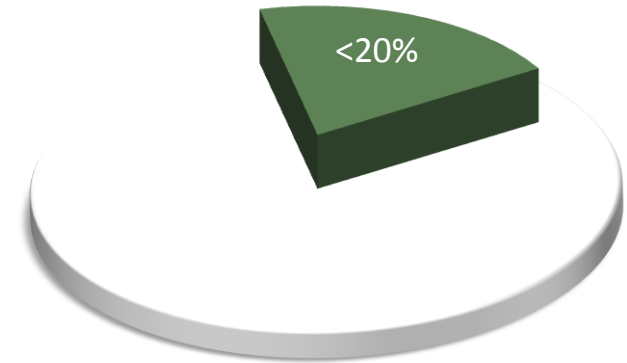
- Daawat reached #2 among basmati rice brands in India
- Launched value added staples and rice-based snacks



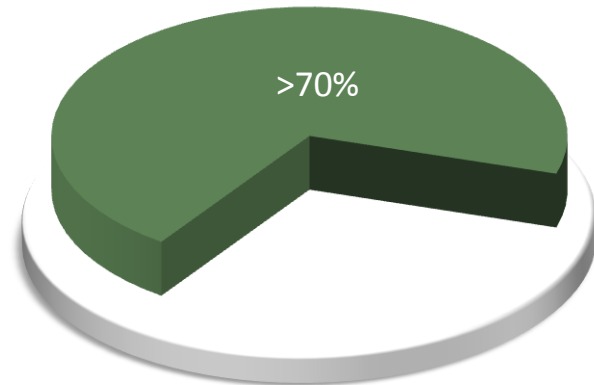
...A Leading Branded Speciality Rice Player...



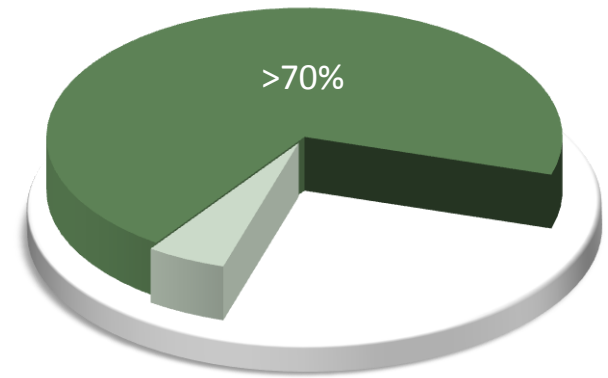
1985-95 Focus on B2B
(Private Label)



1996-2006 Focus on Brands &
Product Value Chain



2007-14 Internationalization



NEXT Stage of Growth

A Specialty Food Company...

Branded Basmati rice



Value added staples



Wheat
flour

Refined
flour

Chickpea
flour

Semolina

Flattened
rice

Premium



Health



Horeca

Mid-price

Value

Other products



Sauces



Oils



Organic food

...with Leading Global & Regional Brands



#2 Brand in India



Safe Bhi Saaf Bhi



#1 Brand in US



100% Organic



Grape Seed Oil

... Global Presence in over 60 Countries



... Under Experienced Leadership



﴿ Vijay Kumar ﴾
Arora

*Chairman and
Managing Director*



﴿ Ashwani ﴾
Arora

*Managing Director
& CEO*



﴿ Abhinav ﴾
Arora

*President,
LT Foods US*



﴿ Vivek Chandra ﴾

*CEO, Global
Branded Business*



﴿ Monika Jaggia ﴾

*Vice President,
Finance & Strategy*

*Years at
LT Foods*

25 years



LT Foods Ltd.

25 years



LT Foods Ltd.

7 years



LT Foods Ltd.

5 years

P&G



Associated
British Foods
plc

18 years



LT Foods Ltd.

*Previous
experience*

... With Strong Management Team



Tapan Ray
MD & CEO,
Nature Bio-Foods

13 years



Manoj Chugh
Head of Procurement

20 years



Kamal Poplai
Head of Quality

8 years



Nadine Curias
VP Strategy &
Marketing

5 years



Sai S Krishnan
VP Supply Chain
& Operations

4 years



Jerry Taylor
Senior,
VP Sales

23 years



**Som Nath
Chopra**
CFO

9 years



Kaizar Colombowala
Head, R&D

8 years



Vikram Patil
Associate Director
Strategic Process Improvement

8 years



Chris Skolmutch
Product Development Manager,
LTFA

1 year



Mukesh Aggarwal
CFO, LTFA

7 years



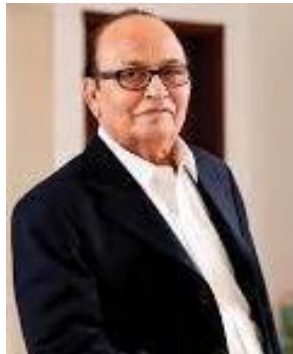
Years at
LT Foods

Previous
experience

Years at
LT Foods

Previous
experience

... And Experienced Advisory Board...



« K.N. »
Memani
Advisory Board



« Ravi S. » »
Naware
Advisory Board

*Years at
LT Foods*

*Previous
experience*

10 years



5 years



... With State of the Art Manufacturing Facilities

Sonepat (Bahalgarh)	Sonepat (Kamaspur)	Bhopal	Amritsar	Varpal
				
1999	2005	2008	1960	2010

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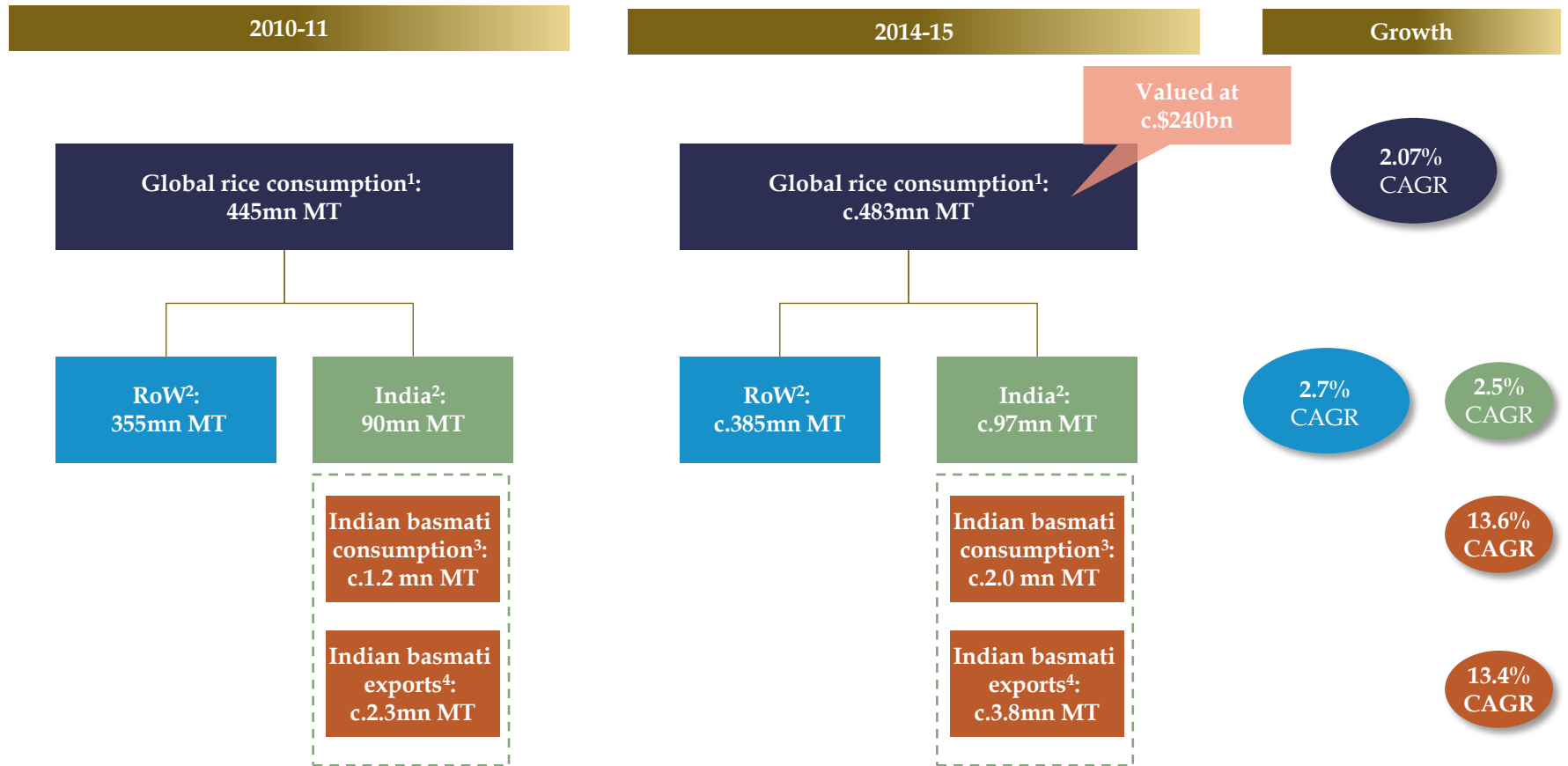
Accreditation	ISO, SQF, BRC, SA, Kosher, OU, Halal	ISO, NOP, NPOP, EEC and Kosher	FSSC, Halal, Kosher and BRC	ISO	FSSC and BRC
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USP	1 st to have complete storage in 1 MT bags	100% organic facility with cold and CO ₂ treatment	1 st to get FSSC 22000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



Rice market overview



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

Growing Domestic Basmati Rice Industry...

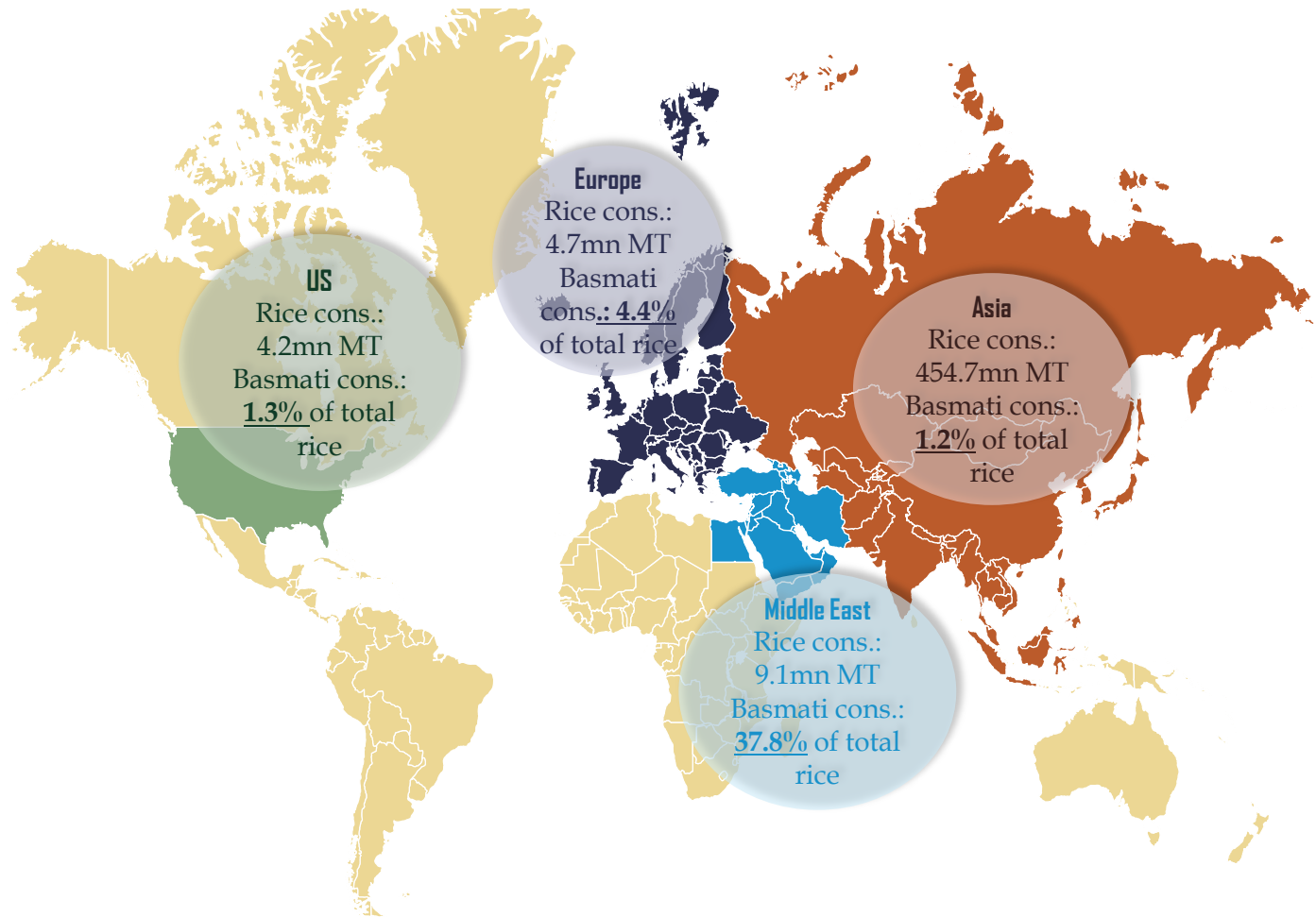
Indian Basmati Consumption (%)



Consumers are switching from Unbranded to Branded Basmati Rice

...with a Huge Global Potential

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



Entry Barriers



Branded Rice = NON Commodity Business

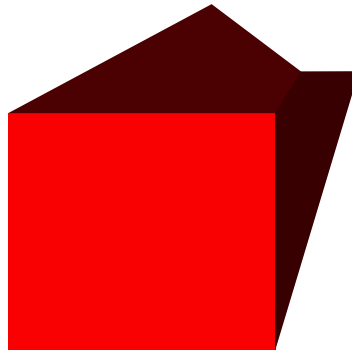
01
Integrated
Business Model



02
Contract Farming
Relationships

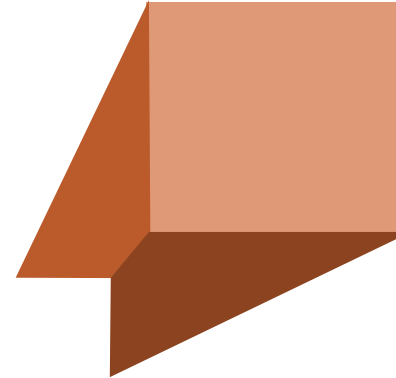


03
Expertise in
Paddy
Procurement

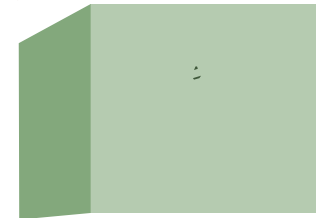


**High Entry
Barriers**

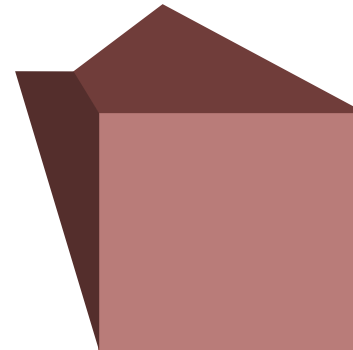
04
Strong Brand &
Market Share



05
Broad Portfolio
of Products



06
Distribution
Network



01 Integrated Business Model



LT Foods Presence

02 Contract Farming Relationships

Backward Integration

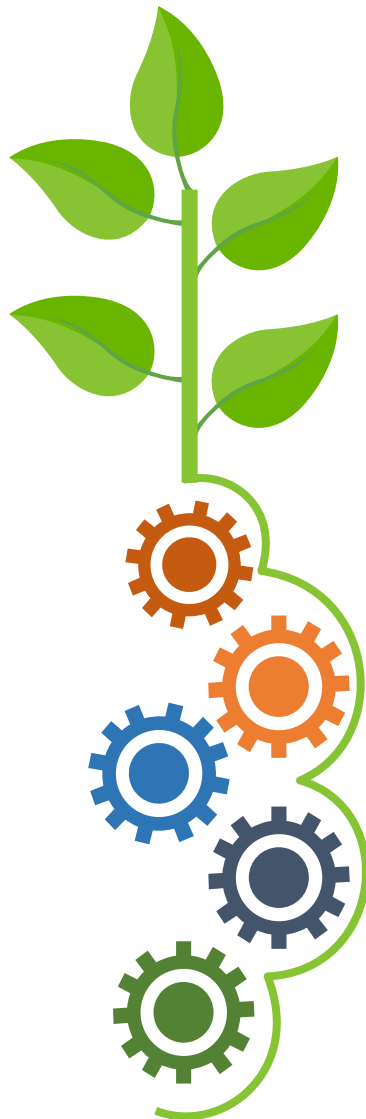
Backward integration program for the last 9 years

Regular Interaction

Regular interaction between farmers and company representatives

Control over Crop Produce

Quality checks & Buy Back Arrangements



Improved Yields

Partnership and relationship with farmers results in improved yields

Awareness

Full knowledge of seed quality used for growing paddy

Controlled Chemical Use

Procure Globally accepted standards of paddy

03 Expertise in Paddy Procurement

Scientific Methods

Best Practice Planning tools to procure high quality paddy

Strong Procurement Network

Strong Coverage : 234 Mandis covered by 270 Agents

Regular Flow of Information

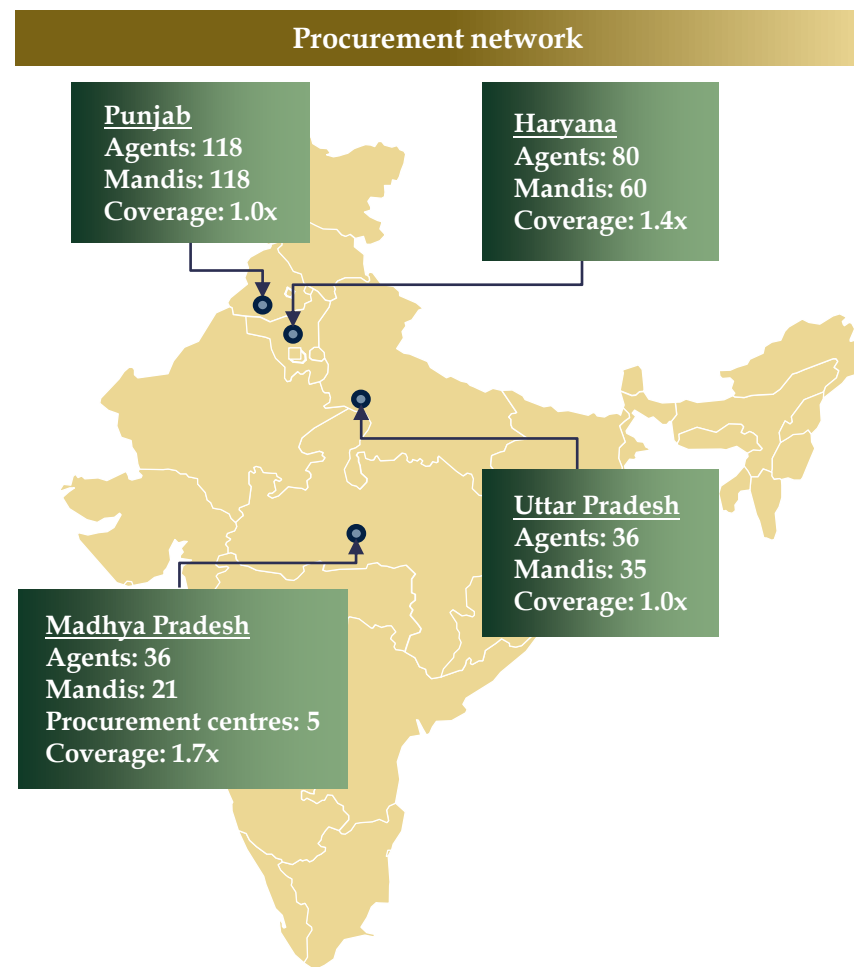
Full control on buying process throughout the year

Stringent Quality Checks

Quality check at each stage from Mandis to Test Labs

Responsible Sourcing Programme

Sustainable farming practices in partnership with BayerCropScience



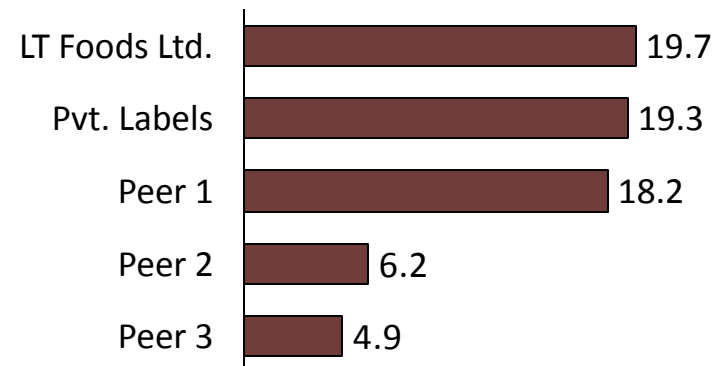
Strong coverage of mandis across the key basmati producing states

04 Strong Brand & Market Share...

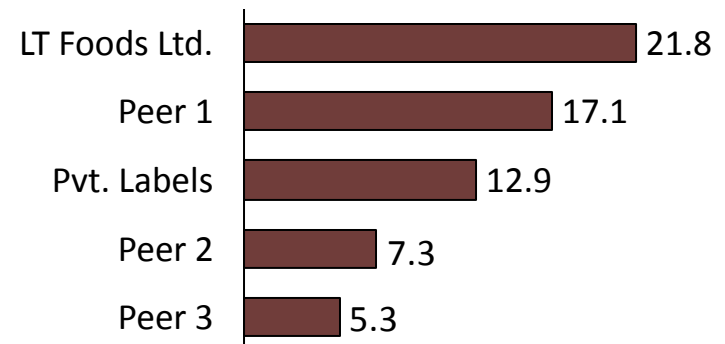
#1 and #2 market position in 7 Countries incl India & US



#1 : All India Urban Markets (%)



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



...that hedges Profitability...

Paddy Procurement



Branding Creates
Pricing Power

Paddy Aging & Processing

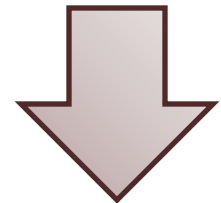


Sale to End Consumer

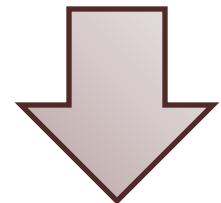


Purchase Price can be
ascertained in advance

Paddy Purchase – Yr 1
: Oct to Dec



Aging 9-12 Months



Sales Yr 2 : Oct
Onwards

...and is Preferred among Consumers

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

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

Source : Consumer U&A : 2014

Top 3 Brands Differentiated Across Parameters

05 Broad Portfolio of Products

Basmati rice

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



Specialty rice (non-Basmati)

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



Other food products

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



06 Fully Developed Sales Network

General Trade

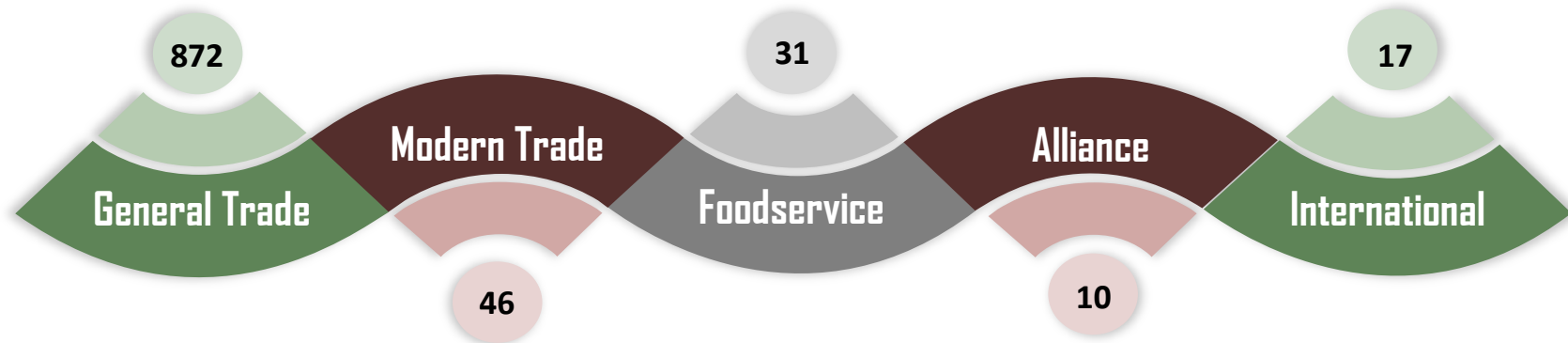
- Currently access to 1,10,000 traditional retail outlets
- Reach – 93% of towns with over 2 lakh population
- Access to 3000 Wholesalers

Food Service

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

International

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



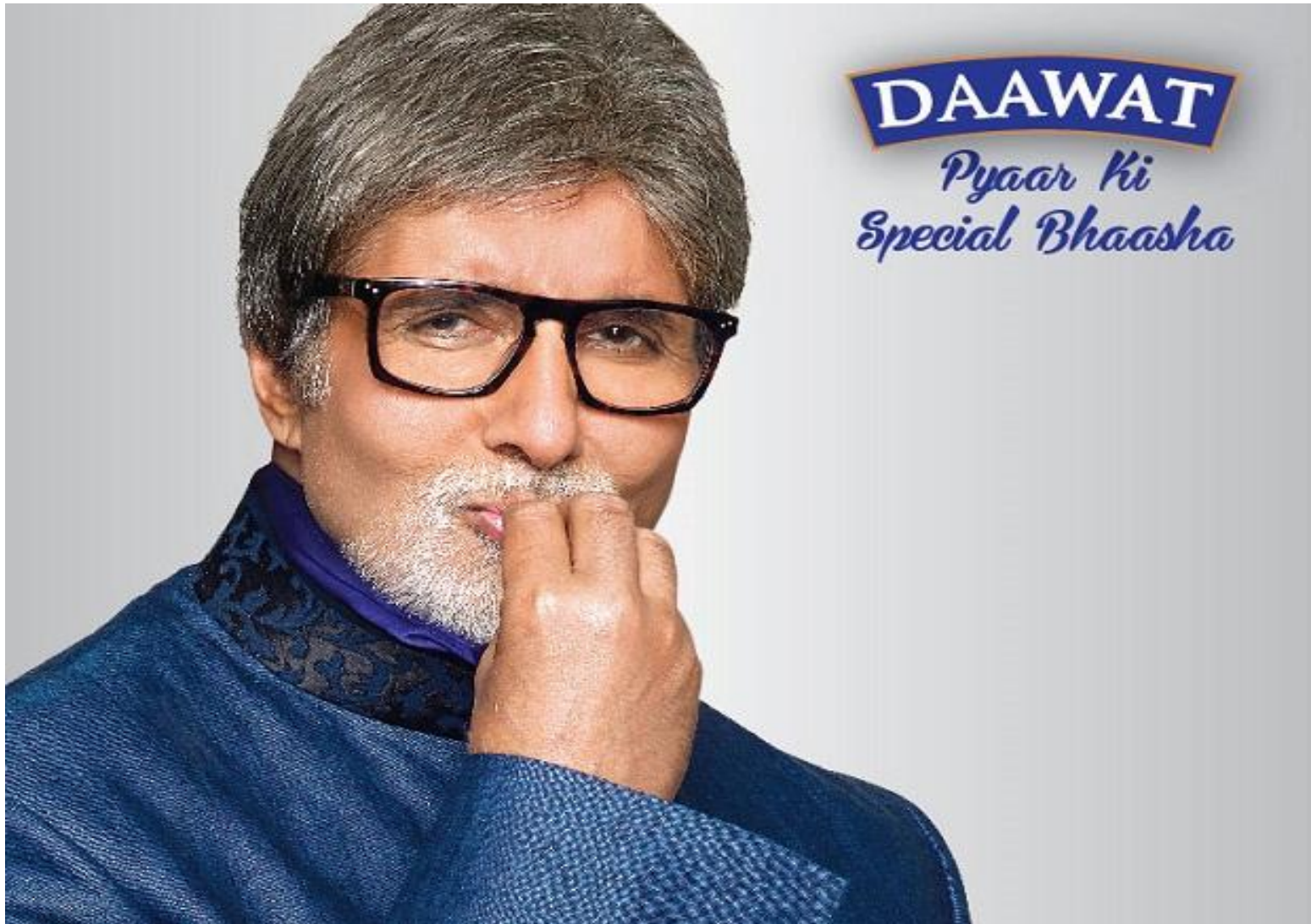
Modern Trade

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

Alliance

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

Strategy For Sustainable Growth

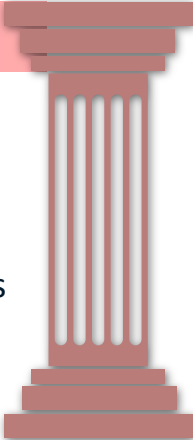


Three Pillars of Sustainable Growth



Consumer Focused

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



Continuous Expansion

- Geography led
- Product led
- Entry in Adjacent Businesses



Sustainable Business Model

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

Consumer Focused



Premium
range

Health
range

Institutional
range

Mid-price
range

Value
range

Branded
products

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

Brands

DAAWAT
THE FINEST BASMATI

DAAWAT
THE FINEST BASMATI

DAAWAT
THE FINEST BASMATI

HERITAGE
BASMATI RICE
Devaaya
Rozana
Tibar

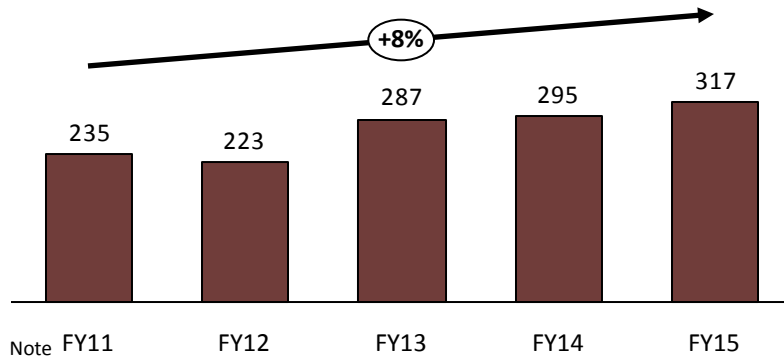
Apple
Premium Rice
ORANGE



Strong Brands for Each Range of Product

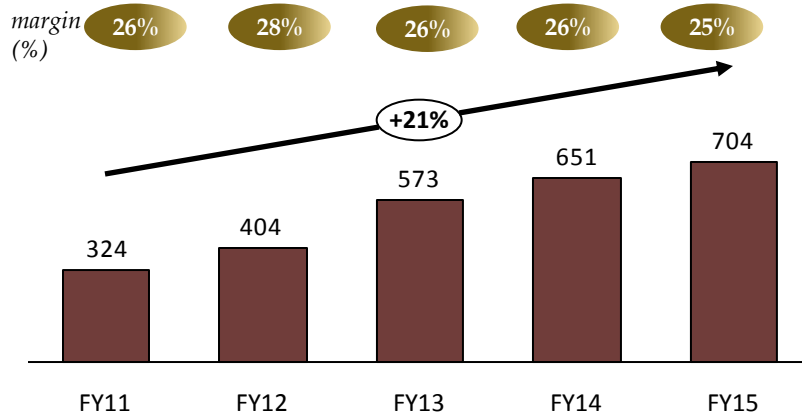
Sustainable Business Model

Rice Volumes ('000s MT)

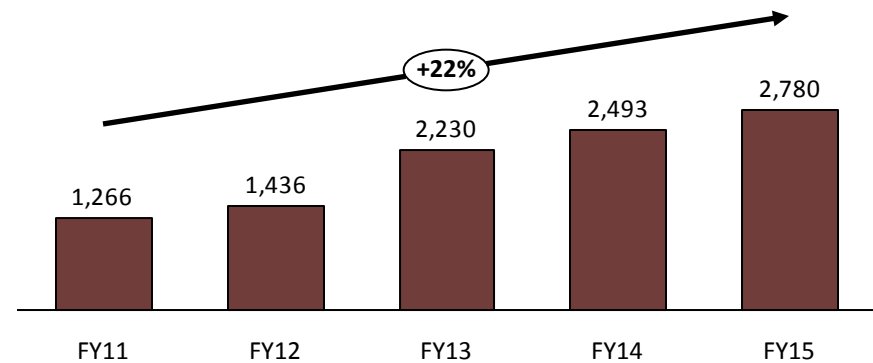


Note FY11
1 Volumes include India branded rice, international branded rice and institutional rice. Excludes organic rice and international agri-trade;

Gross profit (Rs Crs)



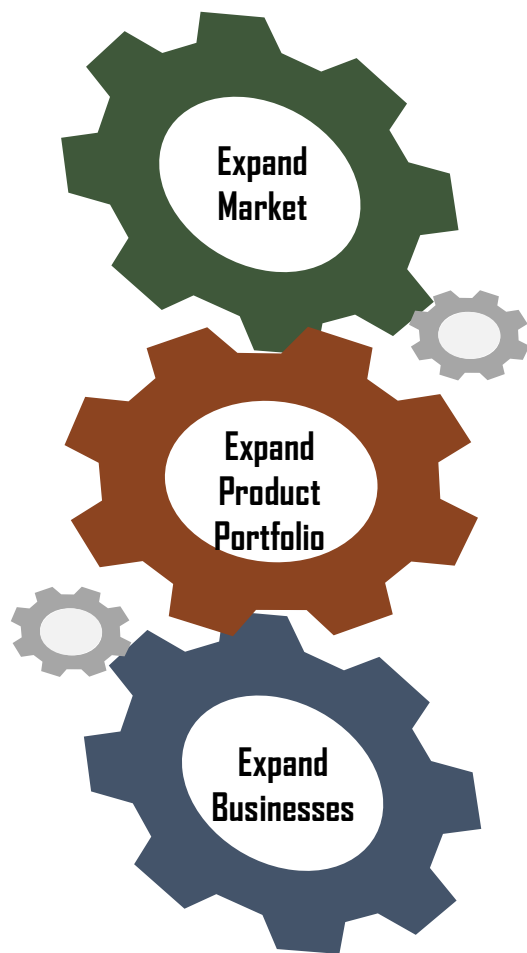
Revenues (Rs Crs)



Paddy Inventory – Key to Sustainable Growth

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

Continuous Expansion



Expansion in Branded Rice Market – India & International

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

Expansion in Product Portfolio

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

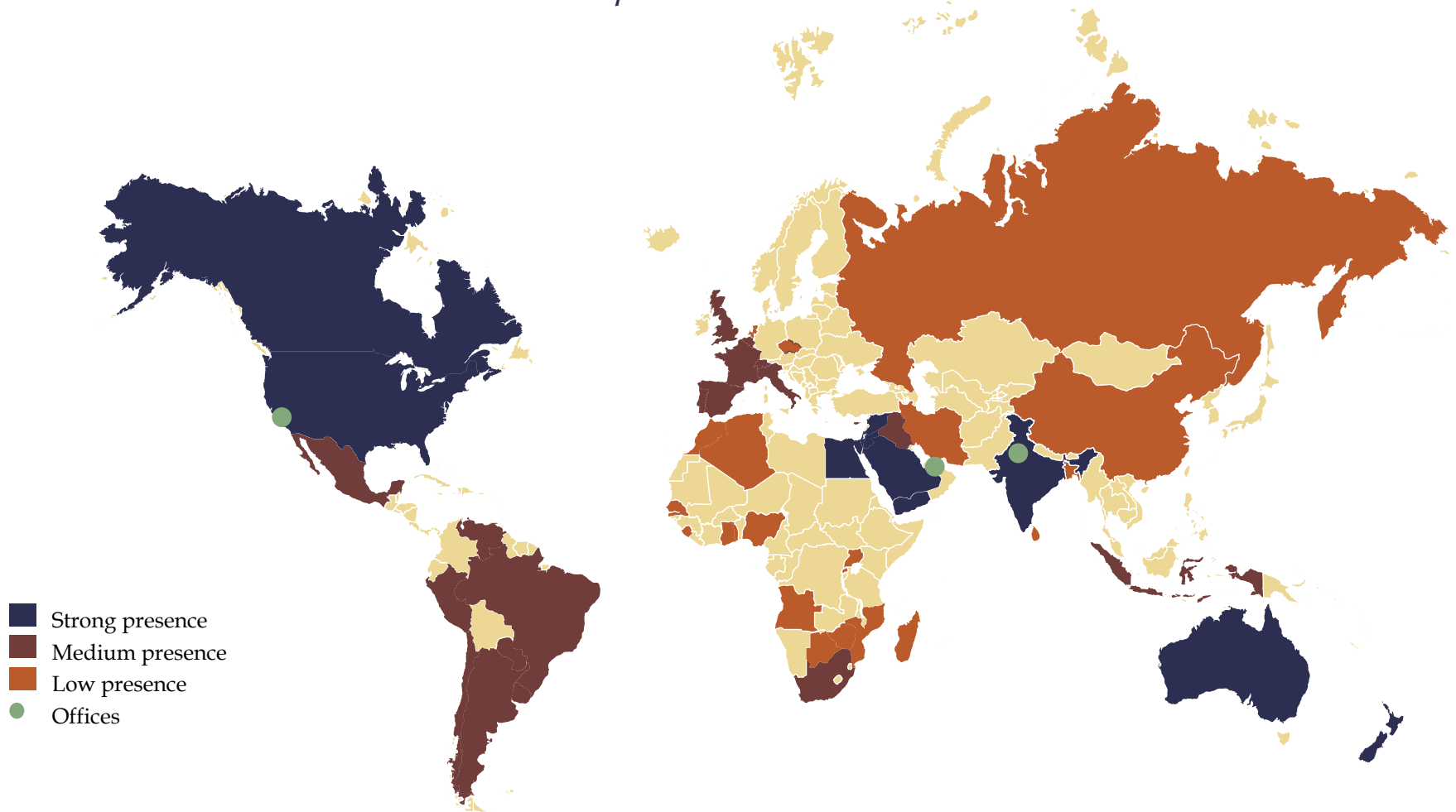
Expansion in Business

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

Facilities Expansion through Asset Light Outsourcing Model

Expansion in Branded Rice Market – India & International

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



Expansion in Product Portfolio

Value added staples



*"Responsibly sourced,
honestly packed"*

"Correct food"

Product portfolio

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

Rationale

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

Stage of development

- PAN India presence in modern trade
- Presence in 12 states in general trade

Organic food



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

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

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

Expansion in Business — Nature Bio-Foods Ltd.

Key products

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



Bulk rice



White rice flour



Brown rice



Medium grain rice



Organic kings blend



Organic black rice



Lentils, Queens blend



Medium grain brown rice



Special red rice



Branded rice

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



Oil seeds



Pulses



Spices



Cereal grains

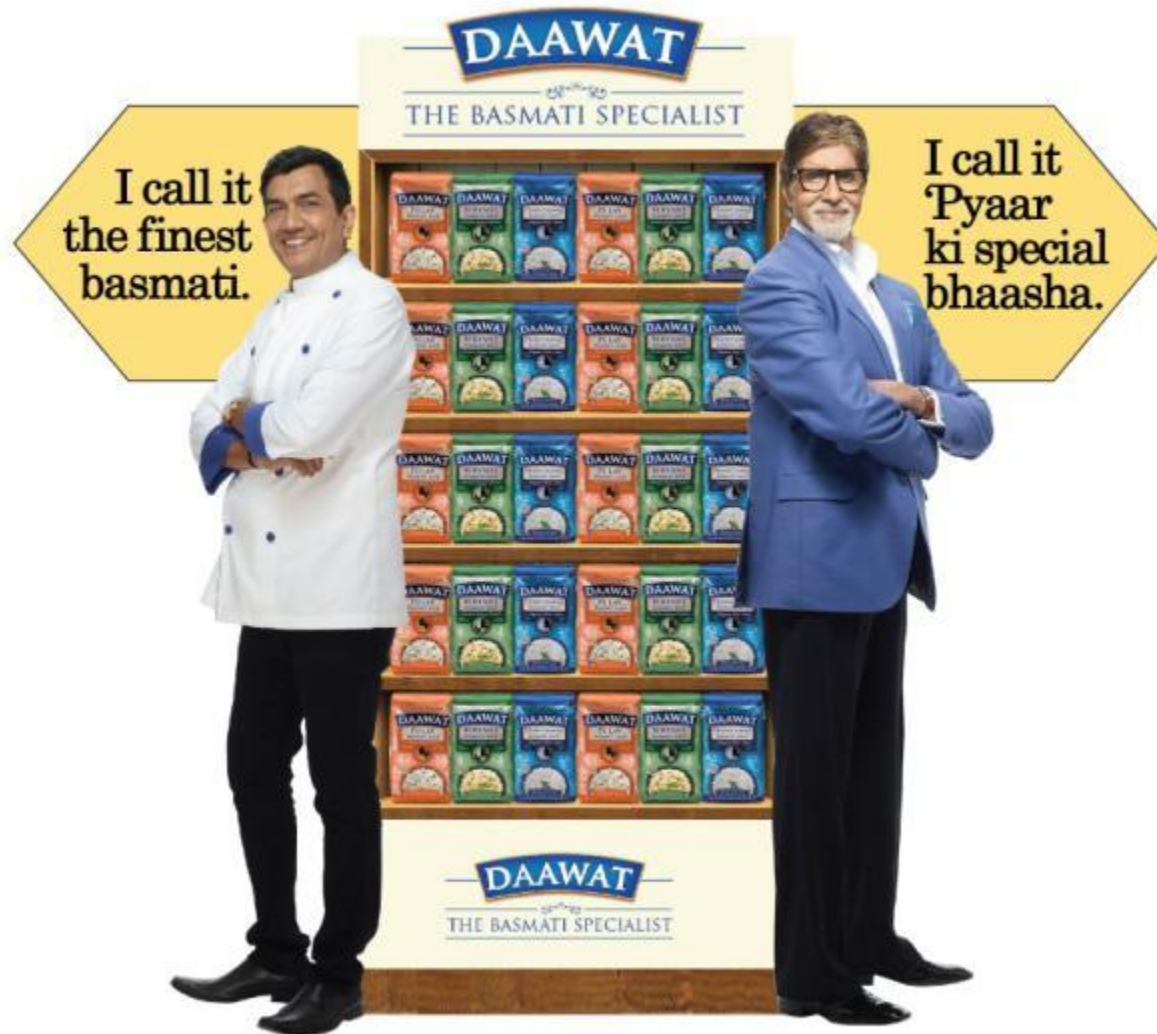


Nuts, fruits and vegetables

Certifications

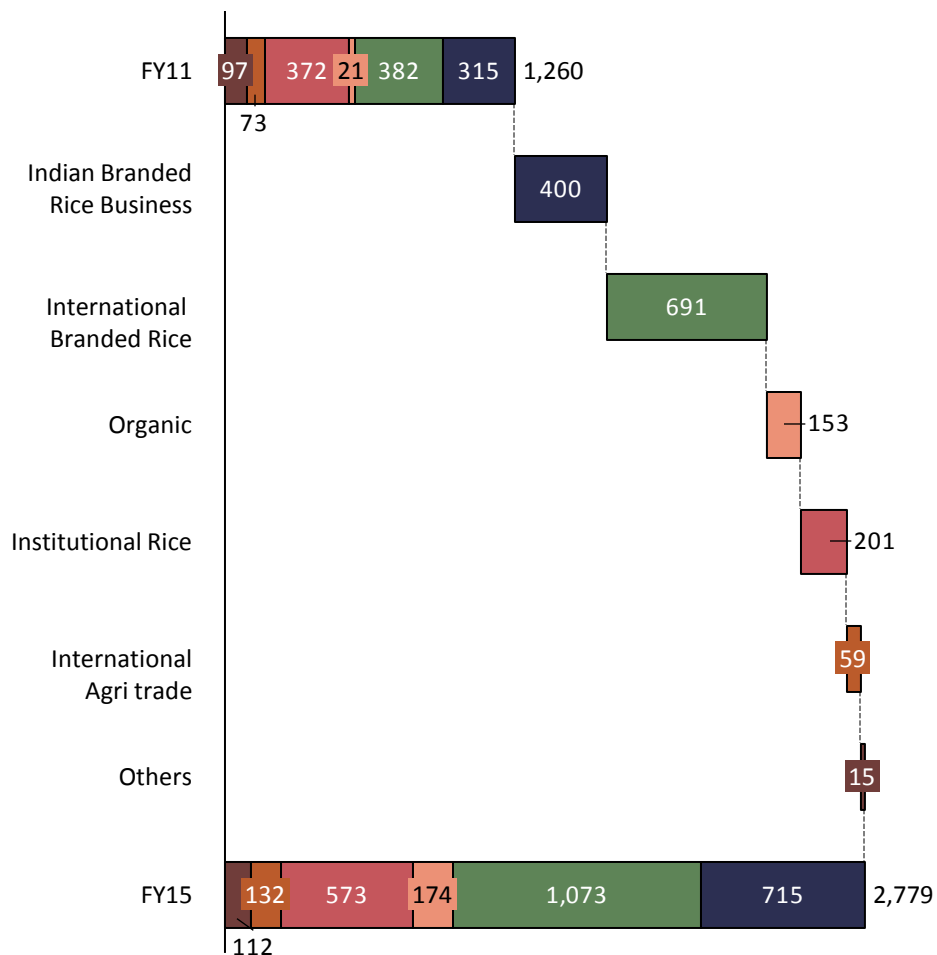


Financials

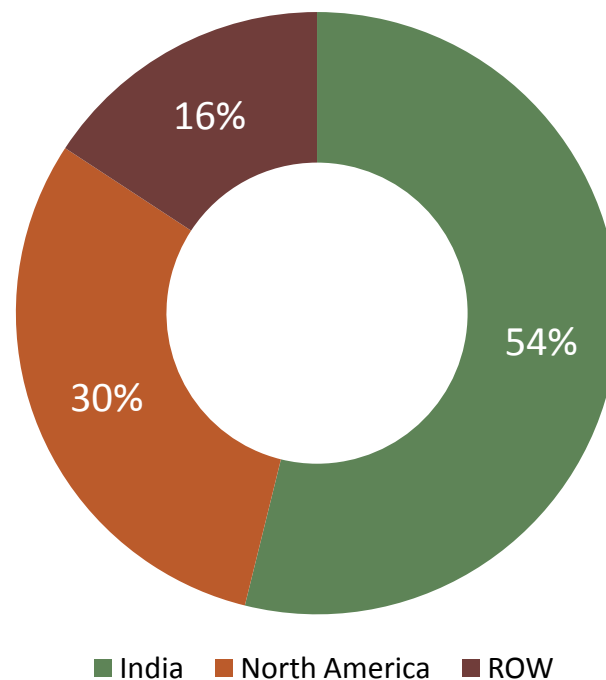


Revenue Breakup

FY11 – FY15 Revenue bridge by business segment

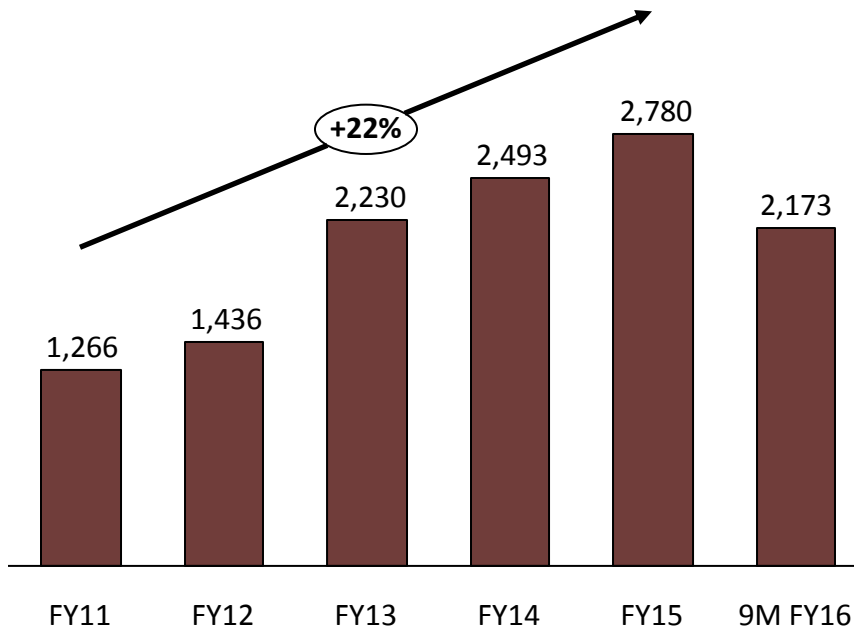


Geographic Breakup of Revenue for FY15



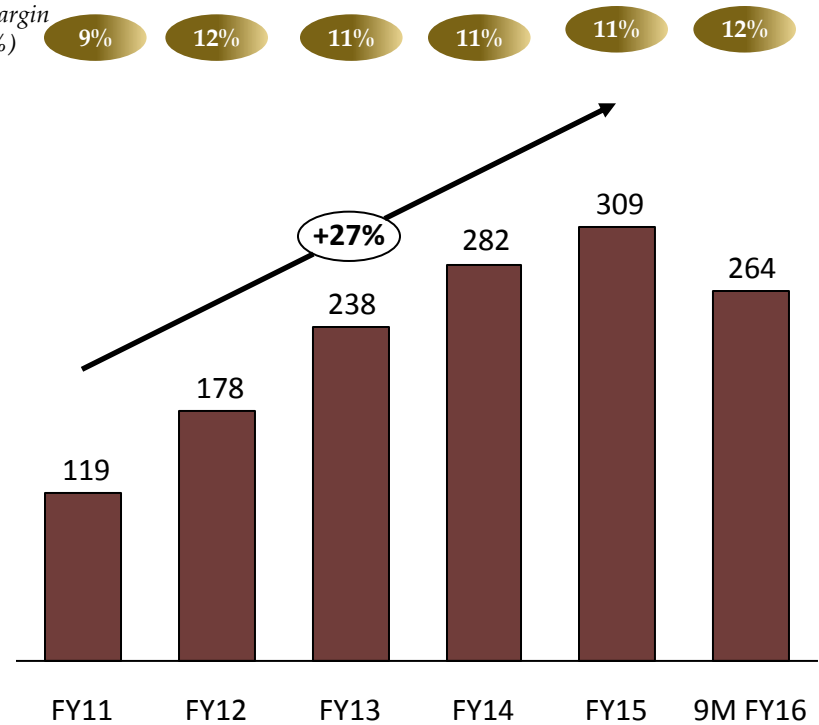
Improving Margin Profile

Revenues (Rs Crs)



EBITDA (Rs Crs)

margin
(%)



9%

12%

11%

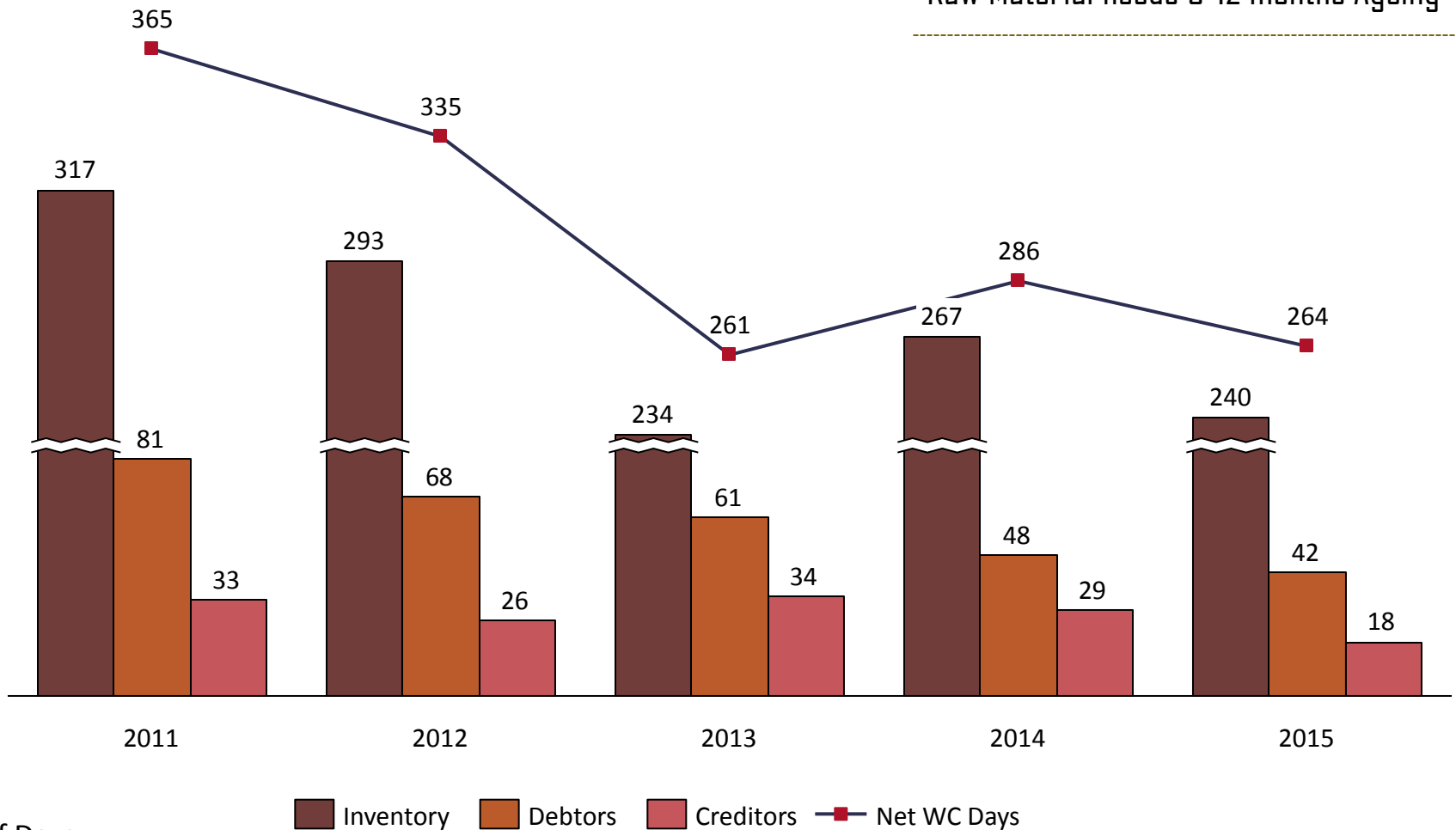
11%

11%

12%

Improving Working Capital

Raw Material needs 9-12 months Ageing



Consolidated Profit and Loss Statement

Rs. Cr	3QFY16	3QFY15	YoY %	2QFY16	QoQ%	9M FY16	9M FY15	YoY%
Revenue	727	709	2%	691	5%	2,173	2,063	5%
Raw Material	504	547	-8%	493	2%	1,543	1,572	-2%
Employee Expense	21	19	10%	22	-3%	63	55	13%
Other Expenses	125	81	55%	86	45%	304	216	41%
EBITDA	76	63	22%	90	-15%	263	221	19%
EBITDA Margin	10.5%	8.8%		13.1%		12.1%	10.7%	
Other Income	0	0		0		1	1	
Depreciation	14	12	19%	14	1%	41	33	22%
EBIT	63	51	23%	77	-18%	223	188	19%
Finance costs	33	35	-5%	35	-7%	110	107	3%
Exceptional (Gain)/Loss	0	0		0		0	0	
PBT	30	17	81%	42	-28%	113	81	39%
Tax	12	6		16		40	27	
PAT	18	11	67%	26	-29%	73	54	35%
PAT Margin	2.5%	1.6%		3.8%		3.3%	2.6%	

Consolidated Balance Sheet

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

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



Company :

LT Foods Limited.

CIN - L74899DL1990PLC041790

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